Behind the Hydro Battle (Page 9)

THE FINANCIAL POST

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The Nation's Business

Financial Cracks In B. N. A. Act

Royal Commission Needed to Study Them and Advise

Ottawa's Intention of Budget Balancing

Aberhart Borrows from Dominion

"Protection" Adopted in Manitoba

Financial Basis of Confederation

IT IS indicated that the Federal Government favors a royal commission to study the economic and financial basis of Confederation. But it is pointed out that it would be useless to attempt any revision of the B.N.A. Act, implementing recommendations of a royal commission, unless there was reasonable similarity of views among the provinces. As a result the Dominion Government does not feel inclined to institute such an enquiry without the approval of the provinces.

The main support for the proposed commission has come from the three Prairie Provinces. At the recent conference of premiers at Ottawa, the Maritime Provinces were only mildly interested. Ontario and Quebec were apathetic, if not opposed, and British Columbia desired a "Pacific Coast Commission" such as the "Duncan Commission" which made a report on Maritime rights.

* * *

SPEAKING of a commission to study the "economic and financial basis" of Confederation is confusing. Apparently the recent meeting of the National Finance Committee at Ottawa was itself confused on the point.

The two subjects may be allied but they are not the same thing. The economic basis of Confederation introduces a great many subjects — the tariff, transportation charges, subsidies to producers, etc. The financial basis of Confederation relates to the taxing powers of the Dominion and the provinces and their responsibilities in the spending of money.

The Financial Post does not deny the need for further study of the economic basis of Confederation. But it feels that the re-examination of the financial basis is a really urgent need. Our provinces are rapidly spending themselves into bankruptcy, competing with the Dominion Government in serving citizens and taxing taxpayers.

* * *

WHAT is needed is a very complete survey of the allocation of taxation powers and social and financial responsibilities under the B.N.A. Act. It is generally conceded that the B.N.A. Act is obsolete and that it was not conceived to meet present-day conditions. Yet we continue to do nothing about it. We seem to be willing to modernize everything except our constitution which is the very basis of our political and financial structure.

The apathy of any province toward the proposed commission is difficult to understand. There is not a province that during the past seven years has not represented unemployment relief and other social services as a federal responsibility. Each has asked for additional taxation powers.

Furthermore, there is not a Provincial Government that has not received numerous representations from municipalities for a broader tax basis in order that the tax burden on real estate might be eased. This cannot be accomplished unless the entire allocation of taxation powers and responsibilities as between the Dominion, the provinces and the municipalities is examined. It is in the interests, therefore, of every province and municipality to urge the Dominion Government to proceed with the appointment of the proposed commission.

* * *

EVEN if there is not accord among the provinces the appointment of the commission should be proceeded with. All too often in the past, much-needed constitutional amendments have been side-tracked because of the interests of some particular section, our politicans looking at the question from a provincial rather than a national point of view. As long as this condition exists this country cannot hope to solve its problems.

This is another instance where the public should be able to look to the Dominion Government for leadership. If the British Government were to refuse to amend the B.N.A. Act along the lines that might be suggested in the report of the proposed commission, because of opposition from some of the provinces, then the Federal Government could go to the country on the issue and finally determine the views of the people on the proper way of amending the constitution.

* * *

What Came Out of Ottawa Meeting

FEDERAL authorities do not seem to be in agreement with our statement last week that the recent meeting of the National Finance Committee was a failure.

Ottawa points out that consider-

(Continued on page 2, col. 3)

Ottawa Asking For Unanimity On Probe Plan

May Grant Enquiry on B. N. A. Act if Provinces Can Agree

SECTIONAL BARRIERS

From Our Own Correspondent

OTTAWA.—A royal commission of outstanding constitutional authorities to examine the economic and financial basis of Confederation in the light of present conditions will be seriously considered by the Dominion Government, provided there is reasonable unanimity among the nine provinces in asking for it, The Financial Post learns.

The point of the enquiry would be the extent to which the taxing privileges bestowed under the B. N. A. Act and the social and financial obligations, as now allocated between federal and provincial authorities, are in keeping with the problems and conditions of the 20th century.

The Dominion will not act unless the provinces agree in asking for the enquiry, for the reason that any constitutional amendments to bring the B. N. A. Act up to date would require reasonable similarity in view from all interested bodies.

The Dominion Government does not look with favor upon another "Duncan" commission to study the demands and grievances of any one economic area of Canada at the present time. Unless the prairie provinces and British Columbia are able to present their cases again with more force than at the recent Ottawa conference, no such commission is likely to be appointed, The Financial Post understands.

At that conference, Premier Bracken, speaking on behalf of the prairie provinces, asked for the larger royal commission, or, failing that, a commission to report on the position of the prairie provinces in Confederation, their losses and handicaps due to the tariff, transportation, interest rates, etc.

British Columbia was interested in a Pacific Coast commission. Nova Scotia was mildly interested in the larger commission. New Brunswick was conditionally a supporter. Quebec and Ontario were not interested in either of the commissions. The task of the supporters is to win around the central provinces and British Columbia, and return to Ottawa with a request backed by the majority, at least, of the provinces.

Under the circumstances, useful as such an enquiry might be, the odds seem rather against it, as seen from the capital.

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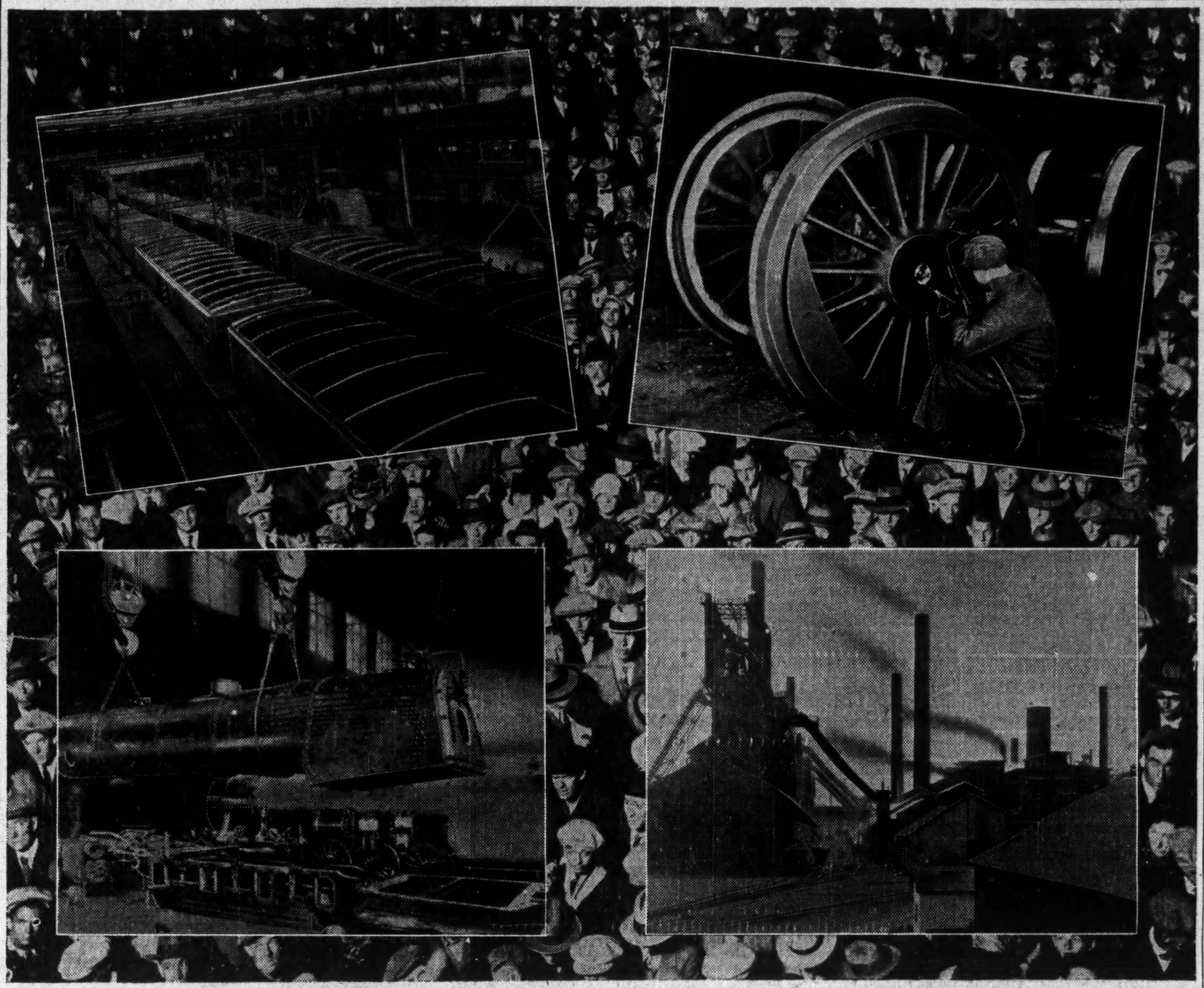


RAIL CONTRACTS TO AID EMPLOYMENT

The award of rolling stock contracts totalling $50 millions for both Canadian National and Canadian Pacific Railways will soon be announced. Many industries will, of course, be affected with a resultant increase in Canadian employment. Photographs above of industries affected, by courtesy of "Industrial Canada" and Canadian National Railways.

$50 Millions Of Car Orders Coming Soon

Railways Will Place Business Early in 1937

CAR STOCKS FIRM

From Our Own Correspondent

MONTREAL.—Though neither the Canadian National nor Canadian Pacific railways will comment, it is reliably reported that the Canadian railways will shortly order between $40 millions and $50 millions of railway equipment, the business to be placed early in the new year.

While the railways will not talk, the stock market is indicating that substantial business is in the offing for the car and equipment manufacturing companies. Recent financial statements of the major operators, while more encouraging, have not been such as to warrant entirely the price bid on the stocks. The market may be wrong, but it does not often make mistakes in forecasting changes for the better or worse. And in this particular instance, the charge would appear to be for the better.

C.N.R. Needs Extensive

An unconfirmed report is that the Canadian National will be in the market for the following equipment: 150 air-conditioned passenger cars; 6,000 box cars; 50 modern passenger coaches; 20 new locomotives, 4,000 tons of steel rails, as well as new refrigerator and coal cars.

Only this week the Canadian Pacific placed an order with Dominion Steel and Coal Corp. for over 5,000 tons of steel rails. Ordinarily the C.P.R. divides its rail business with Algoma and Dosco, with preference to the former. So far there has been no official word of a contract for Algoma, but some business is likely to be placed with it.

As far as equipment is concerned, Sir Edward Beatty seems rather hesitant about committing his company to a more general adoption of air-conditioned and other widely publicized forms of new equipment.

If the C.P.R. participates with the C.N.R. in the reported Government assistance for equipment, it is believed that much of the expenditure will be for more or less standardized equipment, including additional motive power.

Orders Last June

The last time the railways gave substantial equipment orders, in June, 1935, the Dominion Government gave assistance in the purchase. At that time Ottawa advanced about $15 millions under the Unemployment Relief Act. Between $10 and $11 millions represented equipment orders placed with Canadian Car and Foundry, National Steel Car,

(Continued on page 2, col. 7)

Carreras Acquire Rock City Tobacco

Well-known Old Country Firm Again in Canadian Field

From Our Own Correspondent

MONTREAL. — Carreras, well-known English cigarette manufacturer, is understood to have purchased Rock City Tobacco Co., Quebec city, for the purpose of manufacturing and distributing its own products in Canada.

No particulars are available as to the price paid for the property and what immediate plans Carreras have for the Canadian market. An announcement along these lines is expected later on.

Major British Firm

Carreras Ltd. is one of the major tobacco and cigarette firms in Great Britain, one of the leading brands being "Craven A" and another "Black Cat" cigarettes. It controls Alexander Boguslavsky, Carreras Ltd. (Melbourne), Baron Cigarette Machinery Co., British & Colonial Tobacco and Cigarette Co., and other firms. In the British market Carreras Ltd. competes with Imperial Tobacco Co. of Great Britain which indirectly has a major interest in Imperial Tobacco Co. of Canada.

The company was in the Canadian market about 20 years ago, but withdrew, it is understood, because the market was not considered sufficiently important at that time.

Capital £3,071,565

The company was first financed publicly with issue of £50,000 of 6% preferred stock in 1903, and since that time the outstanding capital has grown to £3,071,565, as follows:

Outstanding Capital
As at Oct. 31, 1935

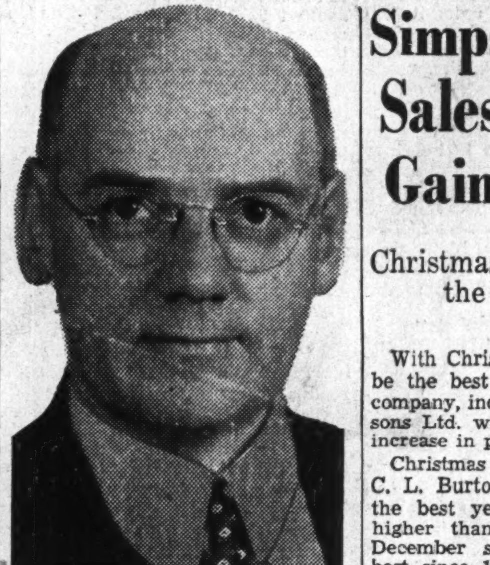
	£
6% preference	50,000
6% A preference	50,000
7% B preference	200,000
4½% C redeemable pref.	1,000,000
£1 ordinary	240,000
£1 A ordinary	1,011,563
2s. 6d. B ordinary	*520,002
Total	3,071,565

*4,160,016 shares of 2s. 6d. each.

The accounts for 1935 showed an earned surplus carried forward of £1,282,834, and dividends for the 1934-35 year totalled 40% on the ordinary shares, which are quoted around £10 on the London Stock Exchange compared with a par value of £1.

Five Directors

Chairman of the board is H. W. Danbury. Latest listing shows E. S. Baron, one of the family which has been associated with the company for many years, as a director. Other directors are J. A. Sinclair, W. J. Yapp and W. H. Louden.



IN NEW POST

Vernon Knowles, Canadian newspaperman, who has been appointed public relations adviser to the Canadian Bankers' Association, in an effort to foster a better understanding between the public and the chartered banks. Mr. Knowles was formerly managing editor of The Toronto Daily Star and prior to that was executive editor and a director of the Toronto Mail and Empire.

Imperial Tobacco Sued for Restraint

A charge has been laid against Imperial Tobacco Co. and other tobacco concerns in Canada who have adopted a policy of price maintenance designed to prevent retail distributors from cutting established prices or giving away premiums of any kind such as small books or boxes of matches, says Canadian Grocer, Toronto, this week.

Plaintiff is Peter Gordon, a Toronto tobacconist, who it is alleged was threatened with discontinuance of supplies by the companies concerned. Louis M. Singer, K.C., is solicitor for Mr. Gordon, and the complaint has been laid under section 498 of the Criminal Code dealing with combines in restraint of trade.

The case is expected to come up for trial early in the new year and to give a far-reaching airing to principles of price maintenance and combines legislation and practice in Canada generally.

Int. Paper Pulp Plans To Be Discussed Later

MONTREAL.—Directors of International Paper and Power Co. met this week but did not discuss the proposed plan of reorganization. It is likely, however, that at the next bi-monthly meeting early in January, the committee will have ironed out details and methods of procedure sufficiently to submit a plan to the board for its approval.

Simpsons Ltd. Sales Volume Gains Sharply

Christmas Sales Best in the Company's History

With Christmas trade reported to be the best in the history of the company, indications are that Simpsons Ltd. will report a substantial increase in profits in 1936.

Christmas trade, according to C. L. Burton, president, has been the best yet and is substantially higher than last year when the December sales volume was the best since 1930. The biggest gain, The Financial Post is informed, has been in credit business.

For the first 32 weeks of the current year the company reported an increase of $194,000 in earnings, before providing for bond interest and depreciation. At that time it was estimated that if the improvement continued throughout the remainder of the year, earnings would be $248,000 higher for the entire period. With Christmas sales at a record peak, it is possible this estimate will be exceeded.

Categorical denial of the recent rumor that Simpsons Ltd. and Hudson's Bay Co. will merge was given The Financial Post by Mr. Burton. It appears, in fact, that there will be greater separation than previously, the companies having decided to operate separate European buying offices from May, 1937. These offices have been combined under one management since 1932.

Showdown is Predicted In Insurance Business

Dissension Seen in Ranks of Fire and Casualty Underwriters

By SCOTT H. FYFE

As 1936 draws to a close, the fire and casualty insurance business in Ontario and Quebec is facing a crisis.

For some time the companies have been content to muddle along, able to agree on almost no matter of major importance except that of postponing the day when the ills of the business would be frankly dealt with.

Affairs have now reached a stage where there is a definite possibility that agencies other than the companies themselves may force the issue. Not all companies have been offenders, of course, and those which have adhered to clean underwriting practice have suffered most. The others will be called upon to clean up shop. Supervisory officials, wearied of existing conditions are ready to call for a showdown.

Just what are these evils, vaguely referred to as "conditions"? Perhaps most tangible evidence of trouble is a very obvious feeling of distrust and suspicion pervading a large section of the business.

Antipathy Between Groups

There is perhaps natural antipathy between "board" and "non-board" companies. The former are members of the Canadian Underwriters' Association, a governing body which is supposed to prepare rate schedules on a basis of loss experience, set commission rates, and generally

(Continued on page 2, col. 1)

Further Gain For Newsprint

Newsprint exports in November soared 5% above the previous month's total and were 21% greater than in November of last year. Other strong factors which helped to bring The Financial Post business index to a new high point were lumber exports (up 57%) and sharply higher life insurance sales.

Complete figures are shown on page 7.

Monthly:	November	—Change— From prev. period %	From prev. year %
Bldg. permits	$3,030,425	—26	—12
Newsprint, exp. tons	295,832	+ 5	+21
Plank & bd. exp., M. bd. ft.	191,447	+ 3	+57
Pig iron prod., tons.	74,337	+ 6	+15
Steel ingots prod., tons	98,534	+0.2	+ 4
Motor car sales:			
Passenger, No.	5,373	+56	+ 3
Trucks & buses, No.	618	—42	—24
Life insur. sales	$37,813,000	+25	+ 7
Weekly:			
Car loadings, No.	49,710	—0.6	+15
Cattle sales, No.	14,874	—18	+31
Hog sales, No.	36,095	+30	+63

Smelters Active In Chibougamau

In sharp contradiction of reports that Consolidated Smelters intends to withdraw from development operations at the properties of Consolidated Chibougamau Goldfields Ltd., Smelters is now engaged in preparation for substantial expansion of its activities at the Chibougamau holdings, The Financial Post is informed.

This week R. B. Wightman, secretary of Consolidated Chibougamau, officially denied the rumor that Consolidated would withdraw from Chibougamau, but no further details of future plans were announced.

However, The Financial Post is informed that some 300 tons of machinery have been ordered for the Chibougamau property and will be taken in over the new winter road now under construction. About 400 men are now engaged on road construction into the area, and the road is scheduled for competion next month.

Beauharnois-Niagara Deal Given Denial

From Our Own Correspondent

MONTREAL.—Reports that Beauharnois Power Corp., through Montreal Light Heat and Power Consolidated, have made arrangements to sell 100,000 h.p. to Niagara Hudson Power Co. are categorically denied by officials of both companies.

Massey Sales Advance 30% For the Year

Over 90% of Gain Results From Business in Export Market

Sales of Massey-Harris Co. for the fiscal year ended Nov. 30, 1936, showed an increase of slightly over 30% compared with the preceding year, according to an official statement issued following a meeting of directors.

This compares also with a gain of about 15% in 1935 sales over 1934. On this improvement the company was able to increase total income available for bond interest and depreciation to $914,914 in 1935 compared with $181,208 in 1934. After payment of all charges the 1935 loss was reduced to $1.4 million compared with $2.2 millions in 1934. Consequently it is expected that this year's gain of over 30% in sales will extend the improvement in the income account.

Biggest Gain in Exports

The official statement says that over 90% of the increase in sales was obtained in countries other than Canada. This reflects the effect of reduced tariffs in Canada whch have tended to divide the available sales volume among more competitors. The Canadian increase was very small in comparison with the improvement abroad.

Last June the company reported an increase in sales of slightly more than 30% for the six months ended May 31, 1936. Subsequently, operations were affected adversely by the severe drought in Canada and the United States. However, the improvement which has occurred in the company's export markets has largely compensated for the disappointing experience in areas affected by the drought. Although the company has not attained its full 1936 objective, it has not fallen as far short as seemed likely a few months ago.

United Steel Buys Shares

United Steel Corp. will redeem about one-third of its outstanding class A shares as a result of the recent offer to take over stock from holders at $12.50 a share. It is understood some 11,000 shares out of the total of 32,976 outstanding were turned in for cash.

The redemption will leave about 22,000 class A shares of $25 each outstanding. Dividends of $1.50 a share on the stock are now cumulative, initial payments being due in 1937.

Christmas Cheer

Canadian Firms Share Profits With Employees in Year-end Bonuses — 1937 Prospects Bring Wage Increases

Financial brokerage firms, automobile, paper, coal, building, steel and merchandising companies in Canada have played Santa Claus to their employees on the largest scale since 1929.

It is doubtful whether the total disbursed to Canadian workers in the form of Christmas bonuses even approaches the total of the peak "boom" year but the effect on general purchasing power will be pronounced and indications are that it will extend to all parts of the country.

Financial houses, industrial and mining brokers probably will make the largest single distribution to employees. Last year bonuses made their appearance among most staff pay envelopes in brokerage houses, but this year the movement has spread to nearly all member firms of the large exchanges in Toronto and Montreal, with indications that other brokers are also making bonus payments on a scale which reflects active trading markets during the summer and autumn months.

No accurate estimate of brokerage house bonus payments is possible, however, in terms of dollars. Staffs of these firms range from half a dozen to 100 or more employees. Where firms employing small staffs have in several instances paid a bonus of six months' salary, the larger firms cannot make a distribution on that basis, although the total disbursement may be quite as

(Continued on page 2 col. 6)

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EATON'S - COLLEGE STREET

Showdown Predicted In Insurance Business

(Continued from page 1)

foster the welfare of the fire, automobile and casualty insurance business. Member companies pledge themselves to observe the rulings of the association and to employ the rates and commissions which it determines. Non-board companies prefer to be independent.

Non-board men are emphatic in their contention that board company rates are not based on experience; that they are set by competition. They charge that the association's rulings, particularly in respect to rates and commissions, are flagrantly abused by its members.

These charges, of course, are equally emphatically denied by board company men. In turn, they accuse the non-boards of determining rates by taking association rates as a base, and then lopping off a certain percentage. They further charge that the non-board companies have filched fire "plans" which are almost essential to effective fire underwriting, and on which, they contend, they have copyright.

There is some, though less, misunderstanding between the stock companies and mutuals and reciprocals. Joint stock companies are prone to consider some of the claims of the mutuals misleading. Here, also, rates are a stumbling block. Lloyd's has been a most disturbing feature, inasmuch as other companies resent the exceptionally low rates charged by the London underwriters.

Association Strife

Apart altogether from the dissension mentioned above, there is another type which is rapidly becoming acute. It is within the ranks of the Canadian Underwriters' Association. As constituted, the association is little more than a year old. In Nov., 1935, the three board company associations, governing fire, automobile and casualty branches of the business, were merged. Further reorganization, including stricter enforcement of regulations, has been hinted on a number of occasions. As yet it has failed to materialize.

Even by some of its members, the association has come to be thought of as an organization through which the "softer" members who abide by its constitution and regulations are penalized while the less scrupulous merrily disport with the rules. Non-observance of regulations is a charge levelled at some members, not only by non-board companies, but by fellow members of the association.

Outcropping of these underlying ills has led not a few Canadians to regard insurance other-than-life as a "racket." It is not. But it does contain elements within it which must be curbed. A man can hardly be blamed for looking askance at a business where he is offered a lower price by a company other than that carrying his insurance, only to have that rate met by the first company. He fails, in a number of instances, too, to realize just what is and what is not covered by his insurance policy. When a claim is made and refused he is disgusted over what he calls "evasion." Many feel that the companies would be well repaid for a concerted effort to furnish agents with a more comprehensive training in what the various policies cover.

Overcrowding Seen

Most fundamental of all causes of the existing situation is overcrowding. There are too many companies for the business available. Last year, 196 companies in the United States, where they are not without their insurance worries, wrote average fire insurance premiums of $1,950,000. In Canada, 242 companies averaged less than $175,000. Coupled with this the high initial cost, arising in part from the widely scattered nature of the Canadian business, and there exists the base of a very nice framework for cut-throat competition. Which, in turn, emphasizes the need for effective regulation.

Much of the blame can be laid at the doorstep of the group system, under which parent companies have established subsidiary companies—sometimes referred to as "pup" companies—in order to avail themselves of wider representation in the larger centres. Each company is allowed two general agents in the larger cities. Consequently, the more companies, the more complete coverage a group is able to obtain.

There are those who contend that the curse of the fire and casualty business is foreign ownership. Purely Canadian companies write less than 14% of fire insurance in the Dominion. British companies write 50% and the remainder represents American and foreign insurers. It has been contended that these outside companies, with Canadian business a relatively small proportion of their total volume, are apt to regard the Dominion as a dumping ground for insurance.

These claims are probably much exaggerated, but there may be a measure of truth in them.

A third factor, which is said to apply to some of the companies, is that they are independent of underwriting earnings. That is, investments have become a most important factor, with return from security holdings sufficient to offset unfavorable loss experience. If true, of course, this would have the effect of further intensifying competition.

The main problem, however, still lies in excessive competition through overcrowding. If and when this problem is solved, most of the ills that beset the business will fold their tents like the Arabs. Until such time, however, it is imperative that some effective means of control be found; that measures be taken to restore confidence within the fire and casualty insurance business. If the companies themselves are unable or unwilling to exercise such control, it appears likely that other agencies, perhaps the Government authorities, will take a hand.

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The Nation's Business

(Continued from page 1)

able progress was made on various items of the agenda and that much was accomplished in the study of more scientific taxation and the elimination of multiple taxation.

The Financial Post has no desire to belittle the accomplishments of the National Finance Committee, but it reiterates that in the light of public finance problems facing this country the conference was a failure.

The conference left the major problems untouched and spent its time discussing administrative details which might well have been left to a committee of advisers and officials.

For the failure of the conference, however, the Dominion Government is not entirely to blame, although the public had a right to expect it to give leadership. Each province must share a portion of the blame. The provincial representatives put too much stress upon their immediate problems, upon what they wanted to get out of the Dominion, instead of looking at the situation from a national point of view.

One good thing did come out of the conference that should perhaps be emphasized. This was the definite assurance that the Dominion Government intends to balance its budget and will not be swayed from that purpose by increasing demands for handouts from the treasury.

* * *

Mr. Aberhart Borrows Again

INDICATIONS are that the Aberhart Government is beginning to realize that the Utopia which it envisioned for Alberta is impossible of attainment. At least the Government has been unable to attain its objective of eliminating all borrowing.

Dispatches from Edmonton state that the Dominion Government has loaned the province $600,000 so as to enable it to maintain its direct relief payments, also $240,000 to enable the province to finance its share of a works scheme undertaken jointly with the Dominion Government. These loans are made necessary by the increase in number of unemployed in the province.

The Dominion Government, it has been argued, ought to cut off all advances to Alberta on the ground of refusal of the Provincial Government to pursue policies that would keep its credit good. The fact that the number of unemployed in Alberta has been increasing, while most other parts of the Dominion have reported decreases, is a direct result of the policies of the Aberhart Government. Interest and debt legislation in Alberta are major factors in checking economic recovery in that section of the province.

* * *

THE Dominion already has a substantial stake in Alberta, loans from the Federal Government as at March 31 last amounting to $13 millions.

The Dominion is using its credit to raise funds for a province which has delivered a blow at the credit of the entire Dominion. The money of the taxpayers is being used to finance an experiment in Social Credit lunacy.

The position is one of paradox. The Dominion Government is apparently endeavoring to distinguish between the distressed unemployed of Alberta and the Government of the province. In adopting such a course Ottawa is being thoroughly fair—and possibly more than fair—to the people of Alberta.

Obviously, however, loans to Alberta for other purposes, such as meeting maturities, are out of the question. It is a moot point how long the Dominion will feel justified in making any advances at all to a province whose government is acting in a way to injure the credit of Canada.

At the same time, the door should be left open for Alberta if a Loan Council plan of refunding western debts is adopted. Aberhart or no Aberhart, Alberta is part of Canada.

* * *

Farm Province Adopts Protection

THE Government of Manitoba is under fire because it seeks to abolish beer imports into that province for the purpose of preserving the trade for the benefit of local breweries. This it is able to do by charging an extra five cents a bottle on beers from outside the province sold at its provincial liquor stores, and refusing to allow such beers to be sold on draft in liquor parlors. Manitoba's action was taken at the very moment when the Royal Grain Commission was hearing evidence as to the necessity of imports into Canada if the western wheat grower is to find a market abroad for his product.

It can be said for the province that it did not take the lead in such action. Saskatchewan had previously destroyed by similar regulations a flourishing trade done by Manitoba breweries in that province. But it happens that Manitoba does a large trade in barley with the Ontario and Quebec brewers, whose product it now excludes, and who will seek to retaliate, if they can, by finding supplies elsewhere.

Such incidents prove at least how fortunate it is that the constitution of Canada goes a long way to prohibit trade barriers between provinces. Only because the Government itself is engaged in the sale of beer was the action in question possible. Without the constitutional limitation no doubt Canadian internal trade would be as badly hampered by tariffs as any part of Europe. Not unlikely the western provinces, in spite of their traditional opposition to tariffs for all Canada would be as protectionist as industrial Ontario. Indeed they might be more so, in the hope of inducing migration of industries.

All of which merely goes to show that the tariff problem is not the moral issue which it is sometimes declared to be, but a matter of balancing business interests. And it may also suggest that getting rid of tariffs is somewhat more difficult than is occasionally suggested.

Security Offerings

GENERAL THEATRE INVESTMENT

From Our Own Correspondent

MONTREAL — General Theatre Investment Co. is making a public offering of $500,000 first mortgage serial bonds through W. C. Pitfield and Co. at 100 and accrued interest. The issue is divided into four blocks, $150,000 being 3% bonds redeemable in three installments from 1937 to 1939; $150,000 of 3½% bonds, redeemable 1940 to 1942; $100,000 of 4% bonds, $50,000 being retired in 1943 and 1944; and $100,000 of 4½% bonds, redeemable in the following two years.

This company was incorporated last month for the purpose of taking over seven motion picture theatres in Vancouver and district, all of which are leased to and operated by Famous Players Canadian Corp.

Particulars of the issue follow:

$500,000
GENERAL THEATRE INVESTMENT CO.
First Mortgage Serial Bonds
3%, 3½%, 4%, 4½% series A

Dated: Dec. 1, 1936.

Mature: Dec. 1, 1937 to 1946, inclusive. Principal and interest payable only in Canadian funds.

Redemption: Callable on 30 days notice at following prices: 3% bonds at par; 3½% bonds at 101; 4% bonds at 102; 4½% bonds at 102½.

Capital: Aside from the present issue of serial bonds, capital consists of 50,000 shares of no par value common stock. Also $611,320 of non-interest bearing demand notes.

Leases: Orpheum Theatre leased to Famous Players Canadian Corp. for 15 years from June 1, 1936, at a rental of $74,301. The company agrees to pay taxes up to an amount not exceeding $9,444 and various incidental charges estimated at $2,500 per annum. All other charges paid by Famous Players Canadian Corp. The other six theatres are leased for a period of 10 years from Feb. 20, 1937, at a net annual rental of $37,500. It was agreed to pay all taxes, insurance and repairs on the six theatres.

Earnings: After deducting expenses and local taxes, annual net revenue of the company will amount to $99,737 available for interest on the issue, depreciation and income tax. Revenue of the company under the leases is a direct obligation of Famous Players Canadian Corp.

Security: Secured by a specific first mortgage, pledge and charge on all lands, buildings and equipment owned by the company and by assignment by way of mortgage of the company's right under leases.

Value of Theatres: As at Nov. 28, 1936, property was carried on the book at cost to the predecessor company, amounting to about $1.2 million against which is a reserve for depreciation of $299,942.

Purpose of Issue: Part of the proceeds from this issue will be applied in the repayment of a bank loan of approximately $450,000, and the balance will be used for general corporate purposes.

Offered: By W. C. Pitfield and Co. at 100 and accrued interest.

B. C. POWER CORP.

From Our Own Correspondent

MONTREAL.—Public response to the refunding operation is reported by the underwriters as satisfactory. Of interest to holders of the existing 5% and 5½% bonds is that, under the terms of the offering of exchange, those who exchange for the new 4½% bonds will receive not only interest on the new bonds from the date of exchange at the rate of 4½% per annum, but will receive in addition interest on the old bonds to Feb. 28, 1937, together with the redemption premium of 4½% and also the benefit of the current premium on sterling exchange.

Particulars of the issue follow:

$14,000,000
BRITISH COLUMBIA POWER CORP.
1st Refund. and Coll. Trust Bonds

Dated: Mar. 1, 1937.

Serial bonds to mature Mar. 1, 1938-1945; 4¼% bonds to mature Mar. 1, 1960. Principal and interest payable in Canadian funds only.

Redemption: Can be called at any time prior to maturity on 30 days notice at 101 for the serial bonds; the 4¼% bonds to be redeemable at 103 on or before Mar. 1, 1942, and thereafter on a declining scale of premiums.

Company: Holding company, controlling British Columbia Electric Railway Co., British Columbia Electric Power and Gas Co. Through ownership of the foregoing, the company supplies all the electric power and gas services in the most important municipalities in British Columbia and operates electric railway systems in Vancouver, Victoria, New Westminster, North Vancouver and Burnaby, as well as other extensive transportation facilities.

Security: Secured by a first specific mortgage, pledged and charged on securities and shares of subsidiary companies.

Earnings: Net income, after providing for all underlying charges and depreciation, for the eight years ended June 30, 1936, averaged $2.5 millions annually, or more than 4.4 times next interest requirements on this issue.

Purpose of Issue: Proceeds will be applied toward retirement of outstanding 5½% series A and 5% series B bonds.

Offered: 4¼% bonds are offered by Nesbitt, Thomson and Co., Wood, Gundy and Co., and Societe de Placements, at 100 and accrued interest, to yield 4.25%.

RELIANCE GRAIN

From Our Own Correspondent

MONTREAL.—Reliance Grain Co. announces a refunding operation of $1.4 million first mortgage and collateral trust bonds. The serial bonds mature in blocks of $80,000 each annually in the five years from 1938 to 1942 and are not offered publicly. The 15-year bonds are offered by Nesbitt, Thomson & Co. at 100 and accrued interest.

Particulars of the issue follow:

$1,400,000
RELIANCE GRAIN CO.
$400,000 3% 1st mtge. and coll. trust serial bonds, series "A"; $1,000,000 4½% 1st mtge. and coll. trust 15-yr. bonds, series "A"

Dated January 2, 1937.

Serial bonds mature 1938-1942. 4½% bonds mature 1952.

Payment of principal and interest only in Canadian funds.

Sinking fund: Redeemable in whole or in part on 30 days' notice at 101 for the 3 per cent bonds, the 4½ per cent bonds to be redeemable at 103 on or before Jan. 2, 1938, thereafter at 1 per cent less for each subsequent year.

Business: Operates and owns a number of grain elevators, coal sheds, flour sheds, and has other property incidental to its business.

Earnings: Net income, before providing for bond interest and income taxes, but after depreciation, amounted to $245,763 in 1935. Profits for the 9 months ended Sept. 30, 1936, before providing for depreciation, bond interest and income taxes amounted to $435,744.

Security: First mortgage on the company's elevators, buildings and equipment located at Port Arthur and by deposit of all the issued capital stock of Province Elevator Co. and by a voting charge on all other assets of the company.

Assets: Fixed assets had a depreciated value of $1,579,393 as at Sept. 30, 1936. Net current assets at the same date totalled $1,888,953.

Offered: $1 million 4½ per cent 15-year bonds are offered by Nesbitt Thomson and Co. at 100 and accrued interest.

BANK DIRECTOR

H. J. Carmichael, vice-president and general manager of General Motors of Canada, Ltd., who has been appointed a director of the Bank of Toronto.

Royal Bank Report Shows New Trends

Deposits Reflect Interest Policy—Sharp Gain in Investments

From Our Own Correspondent

MONTREAL.—Sharply contrasting changes are noted in the Royal Bank of Canada's financial statement for the year ended Nov. 30, compared with that for the preceding 12 months. The trend of the Canadian chartered banks to invest in high-grade short-term securities, as loans shrink and deposits increase, is clearly reflected in the bank's report.

Lower yields on Government securities and the smaller volume of commercial loans have naturally had an adverse effect on income, but this has been offset by the reduction in interest paid on deposits and operating savings. For the past year the bank had a net profit, before taxes, of $4.5 millions, as against over $4.3 millions in the preceding year. After all charges, including dividends, there was a surplus of $304,241, as against $102,750 in 1935.

Show Larger Surplus

Particulars of the income account follow:

Years Ended Nov. 30	1936 $	1935 $
Net earnings	4,503,218	4,340,522
Less: Pension fund	200,000	200,000
Taxes	998,976	1,037,772
Net profit	3,304,242	3,102,750
Less: Dividends	2,800,000	2,800,000
Premises w/o	200,000	200,000
Surplus for year	304,242	102,750
Add: Prev. surplus	1,609,555	1,506,805
Carried forward	1,913,797	1,609,555

Many Important Changes

Several major changes are noted in the balance sheet. As might be expected under existing conditions, the liquid position is exceptionally strong, total liquid assets being $513 millions, an increase during the year of $90 millions. Of this amount $179 millions is represented by cash on hand or on deposit with the Bank of Canada and other banks, while $241.6 millions is represented by Government securities. The outstanding change in liquid assets is an increase of $53 millions in holdings of Government securities and an increase of $18 millions in other bonds, debentures and stocks. The increase under this heading is represented altogether in short-term, high-grade corporation bonds. Total liquid assets are 66.07% of liabilities to the public.

The change in the loan picture is not as marked as would be expected by the change in investments. Call loans in Canada remain about the same; those outside the country declined about $5 millions to $14.6 millions. Current loans and discounts in Canada are off from $217.1 millions to $175.8 millions.

Balance sheet figures for the years ended Nov. 30, 1936 and 1935, respectively, follow:

ROYAL BANK OF CANADA
General Statement as at Nov. 30

	1936 $	1935 $
Assets		
Gold in Canada	4,951	2,483
Subsid. coin in Can.	1,389,427	1,205,898
Gold elsewhere	947,244	3,032,551
Subsid. coin else.	4,052,055	4,192,878
Notes of Bk. of Can.	7,814,504	6,341,885
Dep. with Bk. of Canada	58,438,725	55,188,786
	72,646,907	69,964,481
Notes of other bks.	1,668,771	1,591,585
Cheques on other banks	26,239,244	20,376,178
Foreign currency	17,171,202	18,688,448
Due by bks. in Can.	2,674	2,130
Due by bks. abroad	61,552,182	47,007,220
Call loans in Can.	26,154,219	26,328,679
Call loans elsewhere	14,624,255	19,216,858
	147,412,547	133,211,098
Government securities*:		
Matur. within 2 yrs.	112,375,624	60,731,911
Other	129,263,816	127,480,131
Candn. munic. secs.*	9,898,125	8,115,253
Pub. secs., foreign*	11,990,129	13,125,914
Other securities*	29,643,127	11,045,093
	293,170,821	220,498,302
Total quick assets	513,230,274	423,673,881
Current loans & discounts:		
In Canada	175,872,378	217,124,162
To prov. gov'ts.	1,698,424	354,760
To mun. & school dist.	10,227,376	9,257,792
Elsewhere	105,418,452	98,189,967
Non-current loans	3,548,727	3,894,715
	296,765,358	328,821,416
Bank premises	15,662,057	16,043,798
Other real estate	2,698,299	3,016,220
Mtges. on real estate	769,616	819,173
Letters of credit	21,130,089	22,026,377
Dep. re circ. fund	1,625,000	1,600,000
Shs. of & loans to subsids.	3,291,444	4,468,947
Other assets	416,321	449,888
	45,592,826	48,424,403
	855,588,458	800,919,700
Liabilities		
To the Public		
Circulation	29,524,612	32,568,426
Deposits by & bals. due to:		
Dominion gov't.	326,181	7,915,162
Provincial gov'ts.	8,590,669	15,444,455
Deposits by public:		
Non-int. bearing	310,384,198	194,257,143
Interest bearing	416,164,055	461,269,434
To bks. in Canada	160,680	559,099
To banks abroad	11,138,715	8,922,220
Bills payable	185,291	251,681
Letters of credit	21,136,089	22,026,376
Other liabilities	357,210	383,859
	797,961,700	743,596,855
To the Shareholders		
Divds., bonus, etc.	712,961	713,290
Reserve	20,000,000	20,000,000
Capital	35,000,000	35,000,000
Surplus	1,913,797	1,609,555
	57,626,758	57,322,845
	855,588,458	800,919,700

*At not exceeding market value.

Xmas Cheer For Workers

(Continued from page 1)

large. Thus, bonus payments to Toronto, Montreal and other financial firms' staffs range from two weeks' salary to six months' salary, in some cases augmented by $5 a week increases in wages, effective January 1.

Industrial bonus payments are less spectacular in most cases, and take the form of wage increases in many companies this year. The significant aspect of the situation is not the fact that 1936 has shown improved conditions in many lines, but that executives in dozens of different business enterprises are convinced that Canada is on the verge of a new period of prosperous business conditions which should continue through 1937 and afterward. It is this view which is responsible more than anything else for the heavy outlay in Christmas "goodwill" and salary readjustments.

Bank Gives Bonus

The Imperial Bank has been the only bank to announce a Christmas bonus to its staff. It has given half a month's salary to those earning less than $1,500 a year; a third of a month's salary to those earning between $1,500 and $3,600; and those making more than that will receive a quarter of a month's salary, with a maximum of $200.

Canadian International Paper Co. announce a 5% increase in salaries and wages, retroactive to Dec. 1. Between 600 and 700 employees are affected.

Employees of International Fibreboard Co. have been given a salary and wage increase of 5% retroactive to Dec. 1.

New Brunswick International Paper Co. announce a 5% salary and wage increase. More than 600 employees benefit by the change.

Canadian Bank Note Co. is giving an extra week's salary as a bonus to its employees. This action reflects the increased demand for bonds.

More than 250 employees of the Canada Metal Co. in Toronto received a bonus equivalent to 5% of their yearly wage.

The Mentholatum Company of Fort Erie, Ont. paid a 2% bonus.

Sterling Distributors Ltd. of Windsor, Ont. gave a week's pay to all employees of one year's standing.

Wage increases effective on Jan. 1 have been announced by Breithaupt Leather Co. in their plants at Kitchener, Hastings and Penetang, Ont. The company also distributed a profit sharing bonus.

George Weston Ltd., Toronto biscuit manufacturers, announced a 5% wage increase for all employees in the Toronto plant and also for employees of the William Paterson candy plant in Brantford.

Dominion Foundries and Steel, Hamilton, Ont., increased its $1 million payroll by an increase graduated from 5% to 10% this week. The increase affected over 1,000 employees. A week ago, another Hamilton, Ont., company, Steel Co. of Canada, announced a 10% wage increase, second since a 25% wage cut went into effect in 1933. Beech Nut Company's employes, in Hamilton, will get a six-day salary for five days' work a week.

Wage Increase

Consolidated Paper Corp. announce wage increases totalling around $150,000 annually. The increase, effective immediately, applies to employees in the company's plants at Three Rivers, Shawinigan, Grand'Mère and Port Alfred. Employees who formerly received 32 cents an hour or less receive an increase of three cents an hour, while those paid higher than 32 cents will receive a 2-cent boost per hour.

Intercolonial Coal Co. announce a $10,000 Christmas bonus to employees. The bonus will be shared by approximately 500 employees.

W. R. McNeil, president of Building Products Ltd., announce that the company's 500 employees, except commissioned salesmen, have been paid a bonus according to the following plan: five years service or over, 4% of their normal year's earnings; two years or over, but less than five years, 2%; less than two years, a cheque for $5.

Effective Jan. 1, the wages of all hourly employees of the company will be increased by approximately 5%.

Laura Secord Candy Shops has distributed a Christmas gift in the form of a cheque to every employee, the amount depending upon the years of service with the company.

British American Bank Note Co. is giving a Christmas bonus to its staff. The amount of the bonus is not stated except that it is a "substantial amount."

About 450 employees of the National Cash Register Co. of Canada, Ltd., will share approximately $11,000. Each employee who has been with the company more than three months is to receive $25, plus an additional dollar for each year of service up to ten years.

General Motors of Canada has distributed $270,000 in Christmas cheques to employees at Oshawa, St. Catharines and Walkerville.

R.C.A. Victor Co. has announced a wage increase affecting a substantial number of hourly paid employees.

Davis Leather Co. in Newmarket is giving a general increase of 10% to its 360 employees.

The MacLean Publishing Company, Toronto, has announced a wage increase to its mechanical staff amounting to approximately 11%.

Consolidated Press has announced an increase in wages to its mechanical staff amounting to approximately 5% together with Christmas bonus of one week's salary.

Securities Holding Corp. Pays 60-cent Interim

Securities Holding Corp. Ltd., has declared an interim dividend of 60 cents a share on the outstanding preferred stock, payable Jan. 2 to holders of record Dec. 19. The company declared a 50-cent dividend on July 2. Increasing dividends have been paid in the last year or more on the 6% preferred.

Canadian Car Plans For Fort William Deferred

From Our Own Correspondent

MONTREAL.—Despite reports to the contrary, no plans have been made as yet by Canadian Car and Foundry Co. to reopen the Fort William plant.

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WITH EVERY PHASE OF
CANADA'S BUSINESS LIFE
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ESTABLISHED 1817
MODERN, EXPERIENCED BANKING SERVICE
. . . the outcome of 119 years' successful operation
OVER 500 BRANCHES FROM COAST TO COAST

$50 Millions Of Car Orders

(Continued from page 1)

Eastern Car and other operators. The balance of $4 millions represented work done in the railways' own shops.

At that time the Canadian National ordered 250 40-ton steel underframe refrigerator cars, 400 40-ton steel sheathed wood-lined automobile cars, 400 70-ton low-wide gondola cars, together with 150 sand cars.

Orders placed by the Canadian Pacific last June covered 750 box cars, 300 coal cars and 150 refrigerator cars.

Distribution of Funds

Of the money advanced at the time $8 millions went to the Canadian National and $7 millions to the Canadian Pacific. Orders placed with Canadian Car totalled $4 millions; National Steel Car $3 millions and Eastern Car $2 millions.

The anticipated method of financing the 1937 work is through sale of equipment certificates which are considered high quality investments. Those of the C. N. R. would probably be guaranteed by the Dominion Government.

All in Need of Work

All the equipment companies are in need of work, and the placing of this business would enable them to provide employment for a large number of workers until well on into the summer months, depending when the orders were placed and the date of deliveries.

Canadian Car has no particularly large orders on hand. At the annual meeting, a short time ago, W. W. Butler, president, said that there was a fair volume of business on hand, mostly small and outside of the regular railway work.

National Steel Car is doing a small shell order for the British Government, but has no particular railway business on hand.

Eastern Car received an order last week from Dominion Steel and Coal which will keep the plant fairly busy for a few months.

Canadian Locomotive and Montreal Locomotive have no orders of any consequence on their books.

All in all the placing of $40 millions to $50 millions of equipment orders would alter the whole picture for the manufacturers; give the railways needed equipment; and provide steady work for a large number of men.

C. N. R. Advances Schedule

From Our Own Correspondent

MONTREAL.—Main locomotive and car equipment shops in the Canadian National Railways will go on a schedule of 40 hours per week, starting with the new Year, according to announcement made by S. J. Hungerford, chairman and president. This means an increase of approximately 20% shop time over the schedule of 1936.

Bank Canadienne Reports Progress

From Our Own Correspondent

MONTREAL.—An expansion in deposits and a moderate increase in revenue is reported by the Banque Canadienne Nationale for the year ended November 30, 1936.

Net profits amounted to $962,247, an increase of about $47,000 over the previous year. An increase in reserve for taxes and pension fund cut into earnings, so that the surplus after all charges was about equal to that previously reported.

Particulars of the profit and loss account follow:

Profit and Loss Account
Years Ended Nov. 30

	1936 $	1935 $
Net earnings	962,246	915,790
Less: Taxes	194,311	167,000
Pension fund	40,000	30,000
Net profit	727,935	718,790
Less: Dividends	560,000	560,000
W/o premises	40,000	30,000
Prov. payment	125,000	125,000
Surplus for year	2,935	3,790
Add: Prev. surplus	227,860	224,070
Carried forward	230,795	227,860

As in the case of other chartered banks, Banque Canadienne Nationale reports a gradual increase in investments. At the end of November securities held totalled $56.3 millions, as against $53.4 millions at the end of the 1935 fiscal year. Call loans, current loans and loans to municipalities all show minor increases. Cash assets increased during the year from $17.6 millions to $19.2 millions.

Principal items in the bank's balance sheet are as follows:

	1936 $	1935 $
Assets		
Gold and currency	10,270,830	9,681,022
Cheques, bank balances, etc.	8,981,778	7,989,923
Total cash assets	19,252,608	17,670,945
Securities	56,297,023	53,416,882
Call loans	6,154,583	5,823,124
Total quick assets	81,704,214	76,910,952
Current loans	34,507,141	33,373,517
Loans to munic.	11,863,243	11,009,579
Bank premises	5,894,239	6,113,331
Total assets	137,041,112	132,574,258
Liabilities		
Circulation	4,605,029	6,486,429
Non-int. bearing deposits	18,736,344	15,279,842
Int.-bearing depos.	98,659,108	95,132,557
Total deposits	118,089,955	112,231,005
Total liabs. to the public	124,009,648	119,728,073
Total liabs. to shareholders	12,376,902	12,672,705

Canada Paper Calls in Bonds

From Our Own Correspondent

MONTREAL.—Canada Paper Co., subsidiary of Howard Smith Paper Mills, has called for redemption on June 4, 1937, all of its outstanding 6% first mortgage series A bonds at 103¼ and accrued interest.

In order to effect this redemption the company issued $1.7 million of new bonds in the early part of last month. With the proceeds the company will retire $1,101,500 of the outstanding 6% first mortgage bonds and also will extinguish the indebtedness of the company to Howard Smith Paper Mills.

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CANADIAN INDUSTRIES LIMITED

The first packaged salt in Canada was introduced by the Canadian Salt Co. (now the Salt Division of Canadian Industries Limited). Salt as a seasoning is one of the world's oldest known food products. But until a very few years ago, it was sold in barrels to be weighed out in a paper bag and stored in a large crock in the home. Later came the salt roll, a long, hard cylinder. Free running salt was a later development.

This year the new square package, wrapped in moisture-proof Cellophane with metal pouring spout, for "Windsor" free running Salt, was introduced to perfect the presentation to Canadian homes of the product of great salt beds which lie fourteen hundred feet below the surface of the earth at Windsor, Ontario.

"Windsor" Salt is advertised in —

Maclean's
Canada's National Magazine

◆

No. 41 of a Series.

News of Investments - - Analyses

B.C. Packers Halts Losses; Prices Firm

But Empire Agreements Essential to Hold Markets

REORGANIZE WORK

From Our Own Correspondent

VANCOUVER. — Market outlook for B. C. Packers, Ltd., is generally regarded as favorable. Without the protection afforded by the Empire trade agreements, however, the situation might be rather serious owing to the inroads being made by Japanese canned salmon in nearly all the world's important markets.

Because of this year's heavy pack of sockeye, dollar sales should be well above average since this type commands the best prices.

Reviewing the prospects of B. C. Packers for The Financial Post, President H. R. MacMillan said that the season just closed was easily the best in the company's history. The pack had been larger, prices continued fairly firm, and while he was not in a position to reveal figures at this time, he said that B. C. Packers, for the first time since the reorganization which he and associates effected some years ago, would not lose money.

B. C. Packers operated nine canneries and three reduction plants during the past season.

British Volume Large

About 70% of British Columbia's salmon pack is exported, and of that about 80% goes to Empire countries. The United Kingdom buys a considerable volume of Japanese salmon in spite of the high tariffs which favor Canada, and it is believed that the British market might quite easily be monopolized by the Japanese were the tariff barriers withdrawn.

Tariffs have shut B. C. canned salmon out of several markets while they have stimulated sales in others. For instance, Italy, which used to be a substantial outlet for the cheaper grades of British Columbia salmon, did not buy a case of it this year. Officials of B. C. Packers say that not since 1928, when the company was compelled to put a special Italian top on all its cans, have sales been made in Italy, and a few other European markets have been eliminated as well.

Continental Bag Being Wound Up

International Subsidiary Files Voluntary Petition of Bankruptcy

From Our Own Correspondent

MONTREAL.—Continental Paper and Bag Corp., subsidiary of International Paper and Power Co., has filed a voluntary petition of bankruptcy in the Federal Courts of the southern district of New York.

According to officers of International Paper and Power Co., all the operating paper and bag properties had been sold on Dec. 7, 1936, to Southern Kraft Corp., another subsidary of International, and that cash had been deposited with the trustees of the several outstanding indentures of Continental Paper and Bag Corp. in an amount sufficient to pay off all of that company's outstanding bonds. It is also stated that other outside indebtedness except minor tax liabilities has been assumed by Southern Kraft Corp.

Loss for I. P.

All of the remaining debt of Continental Paper and Bag Corp. and all its capital stock is held by International Paper Co.

As pointed out in the last quarterly report of International Paper and Power Co., the programme for liquidating idle property will involve a material write-down of assets with a corresponding charge to consolidated surplus at the end of the year. For many years, however, taxes, maintenance, and operating losses of the now idle units of Continental properties have represented a heavy burden of expense. Their elimination is expected to help consolidated profits in the future, both for International Paper Co. and International Paper and Power Co.

Border Cities Hotel Co. Plans Reorganization

Century Bond & Management Co. are advising holders of the 7½% first mortgage bonds of the Border Cities Hotel Co., now the Prince Edward Hotel, to hold their securities. Current price is reported 28 bid.

Century Bond states that a reorganization is impending with indications that "the present position of the first mortgage bondholders will be definitely improved," if the proposals are acceptable. Principal and interest in this issue of $715.000 outstanding has been in default since 1932.

Flowers
for
Christmas

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ROYAL YORK
Open till 11 p.m. daily
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Change in Mayors Affects Montreal Utility Outlook

From Our Own Correspondent

MONTREAL. — Adhemar Raynault's election as mayor of Montreal has not tended to restore confidence in the Montreal utility situation. Raynault is not only closely allied to the Duplessis Government, which has leanings toward municipalization of electricity services, but also favors lower rates for electricity in the Montreal area.

Both Montreal Light, Heat and Power Consold. and Montreal Tramways Co. have been under pressure in the past few years by advocates of municipal ownership and by those favoring lower rates. Montreal Power has countered this movement to some extent by revising its schedule of domestic rates. This has been helpful, but the feeling that rates are still too high has by no means been dissipated.

Attack Tram Contract

Montreal Tramways' case is somewhat more involved. In 1918 the company made a contract with the city whereby it was guaranteed a fixed return on its capital investment. Other charges were set up in the contract, including payment of $50,000 to the city as annual rental for use of the streets. This contract is administered by an independent commission.

Unfortunately revenues in the last three years have been insufficient to cover all the contract charges, including the annual rental to the city.

With the city hard pressed for revenues, a number of aldermen have been actively campaigning for a revision of the contract. It is proposed to reduce the capital return from 6% to 5%. The saving thus effected would leave the Commission with sufficient surplus to pay the city rental. Further some aldermen believe that with a 5% return it would be possible to lower the tram fare to five cents.

To date this movement has been largely confined to the city council. It remains to be seen whether the insurgent group will receive the support of the mayor-elect. In that event the lot of Montreal Power and Montreal Tramways may not be an easy one over the next two years.

Harmsworth Optimistic For Newsprint Outlook

Recent expressions of optimism regarding the outlook for Canadian newsprint securities by Lord Rothermere, British newspaper peer, were supplemented by his son, The Hon. E. C. Harmsworth, at the recent annual meeting of Daily Mail and General Trust in London.

As chairman of the trust associated with Lord Rothermere's newspaper and newsprint ventures, Mr. Harmsworth told shareholders:

"The paper industry in Canada has undergone many and severe tribulations during the last six years, when overproduction, accompanied often by unwise competition, drove prices down to wholly unremunerative levels, and many leading companies were driven into receivers' hands. Lately, however, this picture has changed completely. Demand is overtaking and sometimes outstripping supply, and there has been a gradual readjustment of prices. So far the rise has not amounted to anything sensational, but if world prosperity continues to expand a further rise cannot be avoided.

Investments in Paper

"By the wise policy adopted many years ago of owning paper mills, our group of papers command their own supply of newsprint, and can look with comparative equanimity and even with some satisfaction at rising newsprint prices.

"In our investment policy we have given expression to our belief in a revival of the newsprint industry, and as I indicated last year we made important investments in the securities of some of the leading producing companies. I am glad to say these investments have turned out highly satisfactory, and are likely to be better still if the anticipations I have just expressed come to be realized."

Changes in Holdings

On the other hand, Mr. Harmsworth points out: "Our main holding remains in Associated Newspapers Ltd. which now is 53.41% as against 58.45% last year. In other newspapers and newsprint undertakings we have 8.54%, against 13.18% last year."

He reiterates that the notable changes are in reduction of the proportion of investments in newspaper and newsprint holdings and an increase of investments in the United States.

New England Power Increases Dividends

New England Power Association has declared a payment of 50 cents per share on account of arrears on the 6% preferred stock in addition to increasing the quarterly dividend payment from $1 to $1.50 per share, both amounts payable Jan. 2, 1937, to shareholders of record Dec. 15. The payments reflect improvement in units of International Hydro-Electric System.

The quarterly payment on the $2 preferred stock has been increased from 33 1/3 cents to 50 cents per share and a payment of 16 2/3 cents has been declared on account of arrears, both amounts payable on Jan. 2, 1937, to shareholders of record Dec. 15, 1936.

Universal Cooler Co. Shows Increased Sales

Annual report of Universal Cooler Co. of Canada for the year ending Sept. 30 shows the company's sales of refrigeration equipment 13.4% greater than corresponding figures for last year. Export business increased 47% over the previous fiscal year.

Net profits after deduction of all charges amounted to $45,411, an increase of one-third over the corresponding figure last year.

Ontario Bakeries' Remnant 1.95% for Bondholders

Notice has been published that a first and final distribution to bondholders of Ontario Bakeries Ltd. amounting to $1.95 in cash for each $100 of bonds is to be made through the Toronto General Trusts Corp.

Holders wishing to receive the distribution are required to deliver all bonds of Ontario Bakeries to Toronto General Trusts on or before Feb. 1, 1937. Claims of bondholders filed in this manner will be submitted by the trust company to the court on Feb. 9, 1937. Upon approval of the claims, cheques will be mailed to bondholders. Part of the ill-fated Canadian Terminal System, Ontario Bakeries defaulted on its bonds, and the assets were sold three years ago to Geo. Weston Ltd.

B. Greening Wire Co. Paying Off Arrears

The B. Greening Wire Co., Hamilton, has declared the regular quarterly dividend on the 7% preferred stock and a payment of $1.75 a share on arrears of dividends. The total of $3.50 a share is payable Jan. 1, 1937, to shareholders of record Dec. 15.

Payments of $3.50 a share on account of arrears, in addition to regular dividends, have been made in 1936.

The Provincial Bank of Canada

CONDENSED STATEMENT 30th NOVEMBER, 1936.

ASSETS

Cash and due from banks	$ 7,379,544.23	
Government, Municipal and other high grade securities	24,758,265.35	
Call Loans	3,935,596.78	
Circulation Fund	183,675.00	
Immediately Available Assets		$ 36,257,081.36
Loans and Discounts		11,966,364.20
Bank Premises, Real Estate and Mortgages, etc.		3,121,797.57
Liabilities of Customers under acceptances and Letters of credit, as per contra		38,267.52
Other Assets		130,399.39
		$ 51,513,910.04

LIABILITIES

Capital	$ 4,000,000.00	
Reserve Fund	1,000,000.00	
Dividends due shareholders	64.115.38	
Balance of Profit & Loss account carried forward	231,937.36	
		$ 5,296,052.74
Deposits (Savings, Current, Correspondent Banks, etc.)		42,749,131.13
Notes in Circulation		3,428,762.50
Acceptances and Letters of Credit outstanding		38,267.52
Other Liabilities		1,696.15
		$ 51,513,910.04

Ford Earnings Best Since '30

Profits of $1.17 to $1.90 a Share Indicated for Stock

Confident anticipation that business of Ford Motor Co. of Canada will be considerably increased next year is expressed by President Wallace R. Campbell in a letter to shareholders accompanying the Dec. 16 dividend of 25 cents a share.

"For the present year," Mr. Campbell states, "earnings of the company reflect substantial improvement due to reductions in the cost of production as compared with 1935, and it is expected that the net financial result for the year will be the best since 1930."

Comparative Results

The significance of this comment on 1936 earnings can be judged by comparison of past results. Earnings were $1.13 a share in 1934 and $1.17 a share in 1935. In 1931, 1932 and 1933, net losses were shown and the 1930 earnings were equivalent to $1.90 a share. Mr. Campbell's statement indicates that the 1936 earnings should be somewhere between $1.17 and $1.90 a share.

"The outlook for 1937 is encouraging," Mr. Campbell states.

He points out that for the past seven years, including the three worst depression years, the company has paid dividends in every year but one. Total dividends in the period amounted to $6.45 a share or an average of 92 cents a share annually.

On future dividend policy, he comments:

"It is the opinion of the board of directors that the best interests of shareholders will be served by payment of regular dividends in uniform amounts rather than unequal payments at irregular intervals. The board has therefore signified its intention to pay quarterly dividends at the rate of 25 cents per share, being the equivalent of $1 per share annually."

Total payments this year have been $1 a share but were paid irregularly.

Shawinigan Pays More on Common

From Our Own Correspondent

MONTREAL. — Shawinigan Water & Power Co. has declared a quarterly dividend of 20 cents a share for the three months ended Dec. 31. This contrasts with 15 cents a share for the last quarter. About a year ago the dividend rate was increased from 50 to 60 cents annually, after the 50-cent rate had been in effect for over three years, having been inaugurated with a quarterly payment of 12 cents on Nov. 15, 1932.

The increased payment for the last quarter will bring the total distribution for 1936 to 65 cents a share as compared with 52 cents in 1935.

Brewers and Distillers Lists Its New Stock

New shares of $5 each of Brewers & Distillers of Vancouver, Ltd., were posted for trading on the Toronto Stock Exchange this week.

Old certificates will be removed from the trading list as a result. They are exchangeable into new shares on a basis of ten old for one new.

St. Law. Flour To Split Stock

Proposes 3 for 1 Exchange — Write Off Goodwill Item

From Our Own Correspondent

MONTREAL.—Shareholders of St. Lawrence Flour Mills Co. will meet on Dec. 29 to vote upon a proposal to split the common stock three for one.

Holders of the company's 12,000 existing common shares of $100 par will receive three new no par value common shares in exchange for each share now held.

In conjunction with the change, the company will increase its authorized capital to 50,000 common shares, so that 14,000 unissued shares will remain in the treasury after the exchange has been effected.

At the same time the item of goodwill, etc., now carried on the company's balance sheet among the assets at $930,224 will be eliminated.

May Increase Dividend

At the present time St. Lawrence Flour Mills is paying a regular dividend of $2 a share per annum on the common stock, payable quarterly.

The first payment on the junior securities was made Nov. 1, 1932, at the rate of $1.50 per annum. Distribution was increased to $2 a share on Nov. 1, 1934. Last September the company paid a bonus of $1 a share.

No statement is available as regards the dividend on the proposed new stock, but there is a prospect that the regular rate will be increased.

The company has just completed its first quarter operations in the new fiscal year. The mill has run at full capacity and earnings are officially stated to show an improvement over the same period of last year.

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DEPENDABLE

For dependable trust service call upon the Crown Trust Company.

Crown Trust
Company

WILLIAM I. GEAR, President, JOHN JENKINS, Vice-President
ARTHUR LYMAN, Vice-President, IRVING P. REXFORD, Gen. Mgr.

393 ST. JAMES STREET WEST, MONTREAL

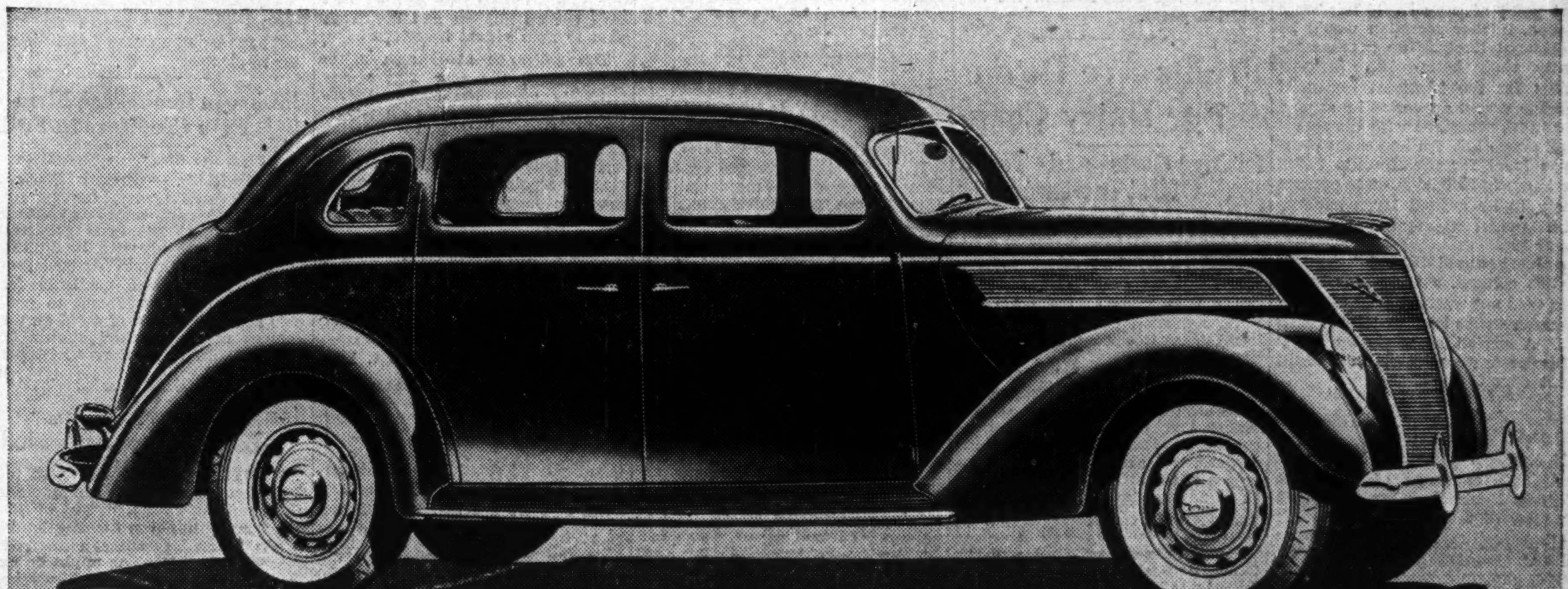
EXECUTORS TRUSTEES - FINANCIAL AGENTS

Abitibi Power & Paper
Company, Limited
TORONTO, ONT.

Owning and operating mills at

Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



THE QUALITY CAR IN THE LOW-PRICE FIELD

THE New Ford V-8 for 1937 is one car, built in only one chassis size—but the quality V-8 engine which powers it is now offered in two sizes. 85 horsepower for maximum performance with good economy—60 horsepower for good performance with maximum economy.

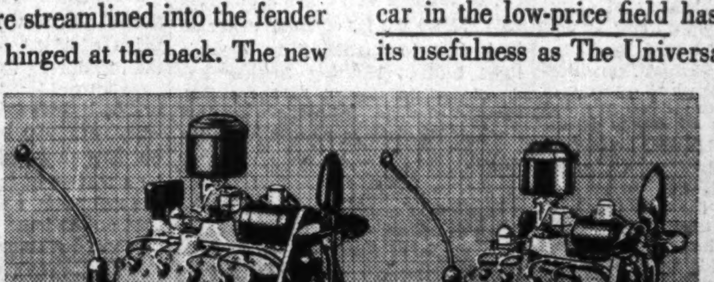
The smaller 60-horsepower V-8 engine makes possible a lighter car with lower operating costs.

The car is entirely new in appearance—wide and roomy, with a low centre of gravity. Headlamps are streamlined into the fender aprons. The modern lid-type hood is hinged at the back. The new all-steel top sweeps back from the windshield in an unbroken curve. Interiors are tailored to the minute. The slanting V-type windshield opens in all closed cars.

It is new in safety, quiet and comfort. The body is all steel—top, sides, floor and frame, welded into a single steel unit of great protective strength. Safety Glass all around at no extra charge. New methods of mounting body and engine bring quieter operation.

You are invited to visit your Ford dealer and see how the quality car in the low-price field has broadened its range and extended its usefulness as The Universal Car.

EASY-ACTION SAFETY BRAKES: You want two things in a modern braking system. Dependability, and soft pedal action. The new Ford brakes give you both. They are positive and direct, with "the safety of steel from pedal to wheel." Cable and conduit control. Self-energizing. Instant stops with feather-light pressure on the brake pedal.



TWO V-8 ENGINE SIZES: Improved 85-horsepower V-8 engine delivers the modern dynamic performance for which the Ford V-8 is famous—with unusually good gasoline mileage. New 60-horsepower V-8 engine delivers V-8 smoothness and quietness—even at speeds up to 70 miles an hour—with gasoline mileage so high that it sets an entirely new standard of economy.

DRIVE THE 1937 FORD V·8

You have read all about the quality car in the low-price field. Now put our words to the proof—let the New Ford V-8 speak for itself. Phone your nearest Ford dealer, or call in at his showroom. See the car. Ask him to let you drive it. You'll be delighted with the way it looks, rides and handles.

NEW COMFORT: By every modern standard of design, the 1937 Ford V-8 is a big, roomy car. Extra space is in the body where you need it, not taken up by the engine under the hood. Comfort of the Centre-Poise Ride is increased by smoother action of the long-tapering springs with new-type interleaf pressure lubrication. The whole car is quieter too.

1937 FORD V·8 NOW ON DISPLAY

Investment Trends

January Reinvestment May Support Stocks

Basic Credit Conditions Strong Underlying Foundation for Markets, But First Quarter Outlook Not Too Favorable

Reinvestment of increased dividends in January should contribute strength to the more esteemed investment stocks at least for a time. However, the outlook for the stock market as a whole is not entirely favorable for the first quarter of the new year. Prospects for continuation of the 1936 rise are clouded by the fact that there has been only one serious interruption of the advance since March, 1935.

Even though markets may face weakness in the first quarter of 1937, easy money conditions furnish strong basic support under prices. It is regarded as encouraging that the recent recession of stocks has been inactive, and the prospects seem to be that any further liquidation should be orderly because floating supplies of securities are small.

As is usually the case, investment markets are in a period of holiday dullness, but are expected to return to greater activity after the year end.

Test of Market

RECENT stock market movements as measured by averages are construed by chart readers to indicate a period of testing. There has been an unsettling downward movement in averages for both industrial and railway shares in New York. If this carries much farther, it would be interpreted as indicative of further substantial recession some time in the first quarter of 1937. This would still leave room, of course, for the inevitable temporary advances, and individual stocks in favored positions could rise against a general tendency to softness.

If a temporary recession is developing in New York, the important point is whether it would spread to Canadian markets. The probability is that it would because this is usually the case.

The level of about 172.5 for the Dow-Jones industrial average in New York is regarded as an important point of support. If this were broken, further recession would be considered likely. The average recently sank below 180. Support points for the Montreal industrial average would appear to be around 97 and 89, compared with the recent level above 100. An important resistance level for the Toronto Stock Exchange industrial average appears likely to be around 150, compared with recent fluctuations slightly above 155.

As has been pointed out previously in this column, a temporary recession does not warrant sales of prime common stocks by long-term investors. A period of weakness might rather present more favorable investment opportunities.

* * *

Boom Possibilities

IN A recent address, Winthrop W. Aldrich, chairman of the Chase National Bank, New York, outlined his view of the possibility of stock market and real estate booms as follows:

> "The potentialities of a great increase in the use of bank deposits in the purchase of investments of all kinds, particularly equities and real estate, are not confined to the further expansion of bank credit that is possible on the basis of our existing excess reserves. There exists today a great volume of idle deposits in the hands of both business corporations and of private investors who, not seeing satisfactory use to make of their funds, have allowed them to accumulate.
>
> "You do not need additional expansion of bank credit to set these funds in motion. They are already there waiting. Growing confidence could lead easily to a stampede in buying on the part of investors. They would not usually buy commodities. They would be more likely to buy stocks and real estate.
>
> "As far as commodities are concerned, the possibility of an early sharp rise in prices does not seem so imminent."

The point Mr. Aldrich stresses is that there is a great deal of room for further extension of the stock market boom. Although his remarks concern the United States, they are equally applicable to Canada, partly because American conditions affect the Dominion directly, and partly because somewhat similar credit and banking conditions prevail here.

The credit situation is worth remembering, especially when temporary declines improve investment opportunities.

* * *

Investment Trusts

SEVERAL times in the past year the thought has been suggested in this column that investment trusts are likely to regain public favor. If such trusts are well managed, this would be justifiable, especially in a period when bond yields are unusually low and the investor's opportunity of increasing income is confined almost entirely to equity securities. In this category, of course, would be preferred shares carrying arrears, participation features and conversion privileges, as well as common shares.

Already there are signs that comparatively conservative investors are regarding investment trust shares with increased favor. They recognize the attractions of equity investments under present conditions, but feel unable to judge values and would prefer to acquire them indirectly through some of the investment trusts. With rising incomes, and portfolio values greater than the market prices of their shares, investment trusts are regarded in some quarters as being on the bargain counter. If the demand continues to increase, present trusts may expand and new investing companies appear likely to be formed.

* * *

Costs and Profits

RISING costs of materials and wages promise to have important effects on Canadian industries and also on investments. One solution for this problem may be higher selling prices for the products of industry. Some lines of processed foods have been rising steadily in price. The rise of rubber has brought an increase of tire prices. Higher quotations for steel are likely to bring increasing prices for various mechanical lines.

Increasing costs reflect the rise in incomes of producers of raw materials, mining companies, farmers, and so on. Rising wages expand the incomes of industrial workers. These increased incomes stimulate consumption and contribute to the influences tending to raise prices. Higher prices, of course, tend to offset in part the higher incomes. Most industries, however, appear capable of at least maintaining earnings under the circumstances, and increasing production should enable many of them to expand their profits. It is the rising spiral of an inflationary trend in contrast with the vicious spiral of deflation of which so much has been said in the depression years.

Profits Are Down For Dairy Corp.

Rising Costs and Taxes Offset Increase in Sales

Sales of Dairy Corp. of Canada showed an increase of 3% for the seven months ended Oct. 31, 1936, but net earnings of the operating units decreased $2,398, according to information issued by J. A. Caulder, president.

Mr. Caulder states that profit margins are being gradually reduced as there is a demand from producers for higher prices and a demand from consumers that prices be not increased. He also points to the increase of the sales tax on ice cream as an adverse influence on earnings of dairy firms.

Arrangements had been made to fund the company's debt to the Bank of Montreal by issue of bonds on the Alberta and Saskatchewan companies, but were dropped when the Alberta Government introduced its drastic debt legislation a few months ago. Mr. Caulder also announces that the company no longer operates Mount Royal Dairies Ltd., but has no liability in connection with this former subsidiary.

Elimination of bank loans would be an important development for Dairy Corp., which is paying debenture interest by issue of class A shares. Operating subsidiaries have been earning profits but these have not been drawn down because the Dairy Corp. holdings in the companies are pledged as security for loans. Interest due Jan. 1. 1937 on the debentures is being paid by issue of one class A share for each $3 of debenture interest, or 10 shares per $1,000 of debentures.

Gt. Lakes Paper Meeting, Jan. 18

Quorum, Lacking at First Meeting, Will Not Be Necessary

Meeting of bondholders of Great Lakes Paper Co. held on Dec. 22 was adjourned to Jan. 18, 1937. Bonds represented totalled $615,020, considerably short of the required quorum of $3 millions. At the next meeting whatever number of bonds is represented will constitute a quorum and may adopt resolutions binding upon all bondholders.

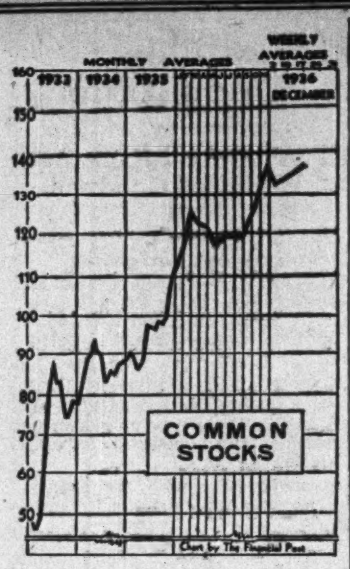
The purpose of the meeting is to defer interest due Oct. 1, 1936, until July 2, 1938, and interest due April 1, 1937, until July 2, 1939. It is understood that bondholders are in agreement with the proposals. Some holders may request at the January meeting that interest be paid on the deferred interest.

C. H. Carlisle, president, informed the meeting that deferment of interest is necessary to allow increase of working capital and plant improvements including storage space which would reduce costs. Rt. Hon. Arthur Meighen, chairman of the formerly active bondholders' committee, and one of the sponsors of the plan to take the company out of receivership, told the meeting that improvement in the company's affairs is chiefly due to Mr. Carlisle.

Would Hold Bonds of King Edward Hotel

Possibility of releasing the King Edward Hotel, Toronto, from receivership is suggested by Century Bond & Management Co., in a circular letter to holders of the 7% refunding mortgage bonds of King Edward Hotel Co.

"While there is no definite information available as yet in this connection," states Century Bond & Management, "nevertheless we are of the opinion that if something of that nature can be accomplished, the position of the refunding mortgage bondholders will be considerably improved. Our recommendation to you, under the circumstances, is that you do not sell your bonds at current low market prices. It is our opinion that the bonds should be held, at least until such time as actual details are forthcoming."



LEVELLING OUT

Dominion bureau index of common stock prices was 135.5 for the week ended Dec. 17. Although this represents a gain for the week, the month's average appears likely to be below November. Comparative figures appear on this page.

Bond Refunding Plan Expected for Victoria

From Our Own Correspondent

VANCOUVER.—Although Victoria sent Mayor David Leeming, initiator of the city's bond refunding programme, down to defeat at the recent civic election, the provincial department of municipal affairs believes some form of refunding will be achieved during the next few months as a result of the recent visit of Jules Fortin, secretary of Dominion Mortgage and Investment Association, Toronto.

Mr. Fortin, it is understood, will make a recommendation to his principals in Toronto, and the Provincial Government stands ready to ratify a refunding scheme under legislation recently passed, as soon as the approval of 51% of the bondholders is indicated.

Montreal Island Towns Cut 1937 Budget Costs

From Our Own Correspondent

MONTREAL.—Estimated expenditures for 1937 of three municipalities, aided by the Montreal Metropolitan Commission, have been reduced by $29,147 compared with 1936. Exclusive of debt charges next year's budgets receiving the Commission's approval are: Pointe aux Trembles, $41,179 against $45,938 for the year now closing; Montreal North, $53,940 against $65,683; and St. Michel de Laval, $31,873 against $44,518.

U.S.A. to Cut Dividend Tax To 5% Soon

Treaty May be Signed Shortly Reducing 10% Rate

AFFECTS CANADIANS

From Our Own Correspondent

OTTAWA.—Negotiations between Canadian and U. S. authorities regarding the American tax of 10% on dividends paid by American companies to nonresident investors, including Canadians, are understood to have reached a point where a treaty may be signed any day. This will provide for a reduction of the tax to 5%.

The treaty will require ratification by the United States Senate, which is the chief reason why the matter has not been pressed by the Canadian Government, The Financial Post understands. While in some types of treaties there are provisions whereby, upon signature, they can be brought into effect pending formal ratification, there is not believed to be any method by which the present negotiations can be made effective until early in 1937.

May Not Cover 1936

Authorities here are not able to disclose whether the provisions would be retroactive, but the unofficial opinion is that the reduction would not apply on 1936 payments.

A number of Canadian holders of U. S. stocks have complained to The Financial Post that they are playing Santa Claus to the United States under the 10% tax. If the reduction of the U. S. levy to 5% only applies to 1937 payments, there would be no rebates to Canadians on the 10% they have paid in 1936. Reduction of the American levy to 5% would put it on the same level as the Canadian tax on interest and dividends paid to nonresident investors.

The reticence at Ottawa arises partly from the fear that undue publicity given the matter before signature might provide an opportunity for agitation to develop against it. For that reason, although negotiations are believed to have reached a point where an announcement is imminent, the Canadian authorities have said nothing at all about the matter.

WINDSOR COURT APARTMENTS

Windsor Court Apartments, Ltd. has announced that on Jan. 2, 1937, will be paid the interest on the company's 6% bonds due June 1, 1933.

Investment Notes

Laura Secord—The company reports exceptionally good Christmas sales, volume being higher than in 1935. This represents an increase in the peak sales period of the year and should be an important factor in increasing profits in the current fiscal year.

* * *

Harding Carpets—Executives have taken up 1,025 shares at $3 each under options given Aug. 2, 1935, leaving 13,475 shares under option up to Feb. 1, 1941. Outstanding capital is now 171,025 common shares.

* * *

Frost Steel & Wire—There is believed to be some quiet purchasing of the inactive common shares because of improved earnings and hopes that better farm income will eventually allow elimination of arrears on the preferred.

* * *

Canada Bud — President Duncan McLaren says profits for 1936 will be sufficient to provide for the $120,000 of dividends paid to shareholders (80 cents a share), and leave a substantial margin to add to earned surplus. Earnings were 91 cents a share in 1935 and 68 cents a share in 1934.

* * *

English Electric — Reports from Oshawa suggest that English Electric Co. of Canada will lease a building with 70,000 sq. ft. of floor space in that city to manufacture electric light bulbs. Nothing further has developed in regard to the C.G.E. request for an injunction against English Electric in connection with bulbs.

* * *

Steel of Canada—Payment of an extra dividend of $2 a share on common stock of Steel Co. of Canada fails to bring to mind any other case where there were "arrears" of dividends on common stock. There is another $8 a share to pay on the common before both preferred and common share equally in participating payments. The common sells above the preferred because of these "arrears," but when they are all paid the preferred should be the higher. After the preferred gets 7% in a year, or $1.75 a share, the common is also entitled to 7%, and thereafter both classes participate equally in dividends. A Privy Council decision in 1930 finally established, in effect, that after payments on the preferred the common dividends are cumulative.

* * *

Canadian Bakeries—Reports from Vancouver on slightly higher prices for bread in that city and in Alberta suggest that this should help the company's revenues. If bond interest is now being covered in full after depreciation, holders of the first preferred will be in a more favorable position to get consideration of dividends which have not been paid since 1931, and of arrears which totalled $42 a share last Aug. 31.

* * *

Canadian Bronze—Increased car loadings and greater replacement of bearings is expected to improve earnings of Canadian Bronze Co., whose shares moved up to 54 this week. This company handles a major share of the railway business in this country and its record of earnings of late years has been impressive.

* * *

Price Bros.—Preferred stock is regarded as promising and the current price of 92-93 compares with less than 20 during the worst of the company's troubles. The new plan of an internal reorganization has not yet been approved by the shareholders, but it is expected that approval will be a matter of form. Following this the refunding operation will be carried out and the company's finances placed on a sounder footing.

* * *

Robert Mitchell—Current reports are that Robert Mitchell will show a small operating profit this year. The company has received an increased number of orders for a diversity of products, the profit on which is expected to turn the 1935 deficit of $49,900 into a profit.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	19.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	200.6	54.8	125.2
October	151.9	24.4	101.9	232.5	73.4	171.7	135.6	212.3	59.8	133.4
November	166.9	27.5	107.0	233.4	74.4	179.6	143.6	219.9	62.4	138.4
Weekly Figures, 1936:										
Dec. 3	168.7	29.7	110.6	216.5	73.0	180.2	142.7	211.9	61.0	133.2
Dec. 10	165.8	28.7	110.1	220.0	73.5	178.2	141.5	212.7	60.7	133.4
Dec. 17	172.1	29.0	113.8	219.9	73.8	182.0	143.6	216.0	61.6	135.5

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Dec. 22	157.83	148.79	195.13
Dec. 21	156.26	148.74	190.63
Dec. 19	156.53	147.24	189.93
Dec. 18	156.29	145.91	187.57
Dec. 17	157.49	147.18	188.62
Dec. 16	157.47	148.92	189.24
Month ago	154.51	144.06	174.96
Year ago	126.97	118.39	117.15
High, 1936	163.24	150.46	195.13
Low, 1936	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 22	79.8	104.2	96.0
Dec. 21	79.3	101.2	93.9
Dec. 19	79.3	102.3	94.6
Dec. 18	79.3	101.8	94.3
Dec. 17	78.8	102.9	94.8
Dec. 16	78.0	102.8	94.5
Month ago	78.2	96.0	90.1
Year ago	65.6	67.9	67.2
High, 1936	81.1	103.2	94.8
Low, 1936	67.2	69.5	66.9

3 Out of 4 New Issues in 1936 Selling Above Offering Price

From Our Own Correspondent

MONTREAL.—Out of 41 new Canadian issues of Government and corporation bonds and preferred stocks, made in the last 12 months, 30 are currently quoted above the issue price, in some cases very substantially above, according to compilation made by Greenshields & Co.

	Rate %	Maturity	Issue Price	When Issued	Market Dec. 10
Newfoundland L. & P.	4½	1956	99.50	Dec.*	101 Bid
Wabasso Cotton	4½	1951	98.93	Dec.*	97½- 98½
Dominion of Canada	3¼	1961	95.86 U.S.	Jan.	103½-103¾
Montreal L. H. & P.	3½	1956	98.50	Jan.	102½-103¼
Paton Manufacturing	4½	1956	100.00	Jan.	102½ Bid
United Amusement	5	1956	101.25	Jan.	99½-100
Canadian National Rly.	2	1943	98.40	Feb.	99¼ Bid
Canadian National Rly.	3	1953	97.50	Feb.	101 Bid
Canadian Pacific Rly.	3½	1951	94.40	Feb.	100 -100½
Intl. Pow. & Pap., Nfld.	4½	1968	100.00	Mar.	102½ Bid
Shawinigan W. & P.	4	1961	99.50	Mar.	100 -100½
Winnipeg Electric	4½	1960	101.50	Mar.	104½ Bid
Canadian Canners	4	1951	97.75	Apr.	99¾-100¼
Canadian Pacific Rly.	3	1945	94.44	Apr.	95 - 95½
Famous Players	4½	1951	98.50	Apr.	100 -100¾
Saguenay Power	4¼	1966	100.00	Apr.	105¼-106
Saguenay Power	5	Pfd.	100.00	Apr.	100½-100¾
Canadian Bronze	5	Pfd.	100.00	Apr.	107 -108½
Prov. of Nova Scotia	3¼	1956	99.50	May	100 -100½
Dominion of Canada	1½	1940	99.50	June	100½-101
Dominion of Canada	3¼	1966	99.00	June	102¼-102½
Newfoundland L. & P.	5	1956	99.50	June	100 Bid
Prov. of New Brunswick	3	1946	100.00	June	99 -100
B.C. Telephone	4½	1961	105.00	July	106 -107
Great Lakes Power	4¼	1956	99.50	Aug.	97½- 98½
Ottawa L. H. & Power	5	Pfd.	100.00	Aug.	103 -103½
Canada Cement	4¼	1951	100.00	Sept.	103½-104¼
Distillers Seagrams	5	Pfd.	97.00	Sept.	93 Bid
Dominion of Canada	1	1941	98.25	Sept.	98⅛- 98⅜
Dominion of Canada	3	Perp.	98.50	Sept.	97 - 97¼
Dominion Tar & Chem.	4½	1951	100.00	Sept.	100½-101¼
Simpsons Limited	4¼	1951	100.00	Sept.	98½- 99½
Atlantic Sugar Refineries	4	1951	100.00	Oct.	101 Bid
Prov. of New Brunswick	2¾	1948	98.25	Oct.	97½- 98
Prov. of New Brunswick	3	1951	96.50	Oct.	97½ Bid
Prov. of Quebec	2½	1944	100.00	Oct.	99¾-100
Prov. of Quebec	3	1951	99.00	Oct.	100½-100¾
Rolland Paper	4½	1961	99.50	Oct.	103¼ Bid
Canada Paper	4¼	1962	101.00	Nov.	100¾-101
Howard Smith Paper	4¼	1951	101.00	Nov.	102 -102¾
Industrial Acceptance	5	Pfd.	100.00	Nov.	100 -101

*1935.

Dominion Glass Co. Meets Can Competition

From Our Own Correspondent

MONTREAL. — Business of Dominion Glass Co. has been little affected by the introduction of metal containers for beers, according to the statement made by Sir Charles Gordon, president, at the annual meeting of shareholders. He further stated that since the end of the company's fiscal year, Sept. 30, business had shown an improvement over the corresponding period of last year.

The annual meeting was largely a routine affair, the report for the past year being approved and directors re-elected.

Bankrupt Brokerage Firm Pays Creditors in Full

From Our Own Correspondent

MONTREAL. — Robert Wilson, trustee-in-bankruptcy for Craig, Luther & Co., announces that a final dividend sheet has been prepared at 66 2/3%, making, with the interim dividend paid, a total distribution of 100%. The amount available for distribution was sufficient to provide also for interest of 4½% on the amount of the original claims, or equivalent to a rate of over 1.4% per annum.

Southern Canada Power Bond By-law Approved

MONTREAL. — Shareholders of Southern Canada Power Co. have approved the by-law passed by the directors authorizing the creation of bonds to an aggregate amount of $50 millions. The purpose of the by-law is to enable the company, when advisable, to refund the outstanding issue of $6 millions.

The financial statement for the past year was approved by the shareholders and the directors re-elected.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to Dec. 19.

Poland — Industrial production was well maintained during October; the heavy importation of industrial raw materials is still the principal feature of foreign trade.

Greece—Export trade in September was below the 1935 level, while imports were larger.

Australia—The volume of trade and industrial activity has been fairly good, with exceptionally heavy Christmas buying expected but droughty conditions in most States have caused some uneasiness.

New Zealand—Retail trade has increased sharply and retail sales volume for the year is expected to be the highest since 1929.

Chile—Business conditions remain fairly satisfactory, wholesale transactions being somewhat more favorable than retail.

United Kingdom—The high level of industrial activity in the United Kingdom tended to be accentuated during November, although changes were generally slight; encouragement was given to foreign trade by the conclusion of several trade agreements.

Irish Free State—Both agriculture and industry have experienced improvement and general conditions are better than a year ago.

Norway—Commercial sentiment has been decidedly optimistic, although seasonal quiet and hesitancy prevailed up to the election period in October.

Latvia—Conditions remained satisfactory and during the third quarter of 1936 considerable construction activity developed.

Union of South Africa—Further gains have been recorded in business and higher wool prices have stimulated rural trade.

Estonia—Perceptible improvement has continued in spite of disappointing crop returns.

China—Local production of automobiles is assured with the formal organization of a company at Nanking in December; conditions remained prosperous in North Manchuria.

Japan—The situation remains rather uncertain owing to political developments; rayon markets have improved, but silk prices have weakened.

Philippine Islands—The recent floods caused much property damage as well as loss of life; many tobacco seed beds were destroyed.

Hawaii—Local interests are suffering substantial losses through the inability to ship commodities to the mainland owing to the shipping strike, but the most serious feature of the situation is the shortage of several food commodities.

Germany—The wholesale price index renewed its increase in November, but remained below the August peak.

Austria — Industrial production continues to increase; imports were exceptionally heavy during October.

Haiti—Business is fair, although retail sales are slightly below normal; October imports and exports were more active than in 1935.

Guatemala — A slight improvement occurred in November business with import buying above the 1935 level and building activity maintained.

Costa Rica—The seasonal decline in wholesale business has been less marked than usual but advancing living costs are restraining business to some extent.

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$220,000 a Day...

■ Dividend payments by Canadian mining companies are estimated to reach $80,000,000 for the current year, being at the rate of $220,000 a day. Almost 50% of this amount will represent dividends and bonuses by Canadian gold mining companies.

Mineral output in Canada is approaching $1,000,000 a day, with gold production estimated at an all-time record of $135,000,000 for the year.

With the addition of the present year's disbursements, dividend payments by Canadian mines will have exceeded a total of $731,000,000, and the current rate of distribution is far beyond anything previously recorded, the total for 1935, the previous high, being $59,307,388. The outlook is that both production and dividends will continue to increase, as many new properties are now nearing production stage.

In this metal age, Canada is in a particularly fortunate position. On the basis of 1935 figures, Canada stands first in production of platinum, nickel and asbestos; second in zinc, radium and cobalt, and third in gold, copper and silver. But even of greater significance is the fact that in Canada lie the potentialities to put this country in the first rank for all these metals.

In line with our policy of furthering the development of Canada's natural resources, we became interested in the mining industry through investigation of its possibilities with the result that we placed with our clients shares in the companies shown in the accompanying table.

Our interest in gold mining properties was taken only after the most careful investigation had been made of them by qualified engineers. The results which have attended the development of these properties are but the repeated history of the results which have attended the development of the producing mines in Canada today. It is the story of courage and patience, with the added factors of sound management and adequate financing.

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Bond Markets

Extensive Financing Likely Early in 1937

Holiday Spirit Pervades Bond Market — Trading Activity and Prices Easing Off — Beauharnois 5's Advance

The holiday spirit has invaded the bond market, trading slackening up and prices easing slightly.

Excellent reception is reported for both the Ontario and Nova Scotia 3% issues, both issues being oversubscribed in a short period.

While high-grade Government bonds have weakened slightly, western provincial bonds after continuing the advance of recent weeks, eased off as the holiday approached due to lack of demand.

Bonds of the four municipalities merged in the city of Windsor declined sharply on news of the Ontario Municipal Board decision. Under the decision Walkerville and Windsor bonds suffer the most, interest being cut on Windsor bonds a further one-half of 1% and on Walkerville bonds 1¼%.

Featuring the corporation bond market have been the Beauharnois Power 5's which have advanced 8¼ points to 61½ on the strength of the prospects of new contracts being negotiated with the Hydro-Electric Power Commission of Ontario. Ottawa Valley Power 5½'s have gained 3½ points to 89. Gatineau and Maclaren-Quebec issues have also strengthened slightly.

In the newsprint group the trend has been erratic. Abitibi 5's have declined 2½ points to 77 and M. & O. Paper 6's one point to 53½. Consolidated Paper 5½'s, on the other hand, have advanced one point to 68½ and Great Lakes Paper 5's two points to 87½.

New Financing

A CONSIDERABLE amount of bond financing is in prospect for early in the new year.

At the present moment it appears likely that both the Ontario Government and the Hydro-Electric Power Commission will be in the market shortly after the first of the year. In addition to the $14.9 millions maturity on Jan. 3, which is to be met out of funds obtained by the recent $20 millions issue, the Ontario Government has $30 millions falling due in January. A further $10 millions matures in February; $11.8 millions in June and $7.5 millions in August. Furthermore, the Hydro has called for redemption on April 1 next $17.6 millions of bonds which were issued for the purchase of Ontario Power Service Development Corp. This issue will be refunded at a lower rate of interest.

Toronto Harbor Commission refunding of $19.5 millions is another issue that is in prospect. The present bonds have been called for redemption on March 1, next.

Dominion Government maturities in 1937 total $326 millions, of which $89.7 millions falls due on March 1 and $236.3 millions on Dec. 1. Both of these are tax free issues, the first carrying a 5% coupon and the second 5½%.

• • •

Ontario Loan

IN SELLING its recent $20 millions bond issue privately, the Ontario Government left itself open to criticism. The price paid for the issue may have been the best obtainable, but there is always good ground for complaint when a deal is negotiated in this manner.

Even more regrettable is the failure of Ontario and other provinces to take advantage of the facilities provided by the Bank of Canada and float its loans on a basis similar to that of the Dominion. The Dominion has found this method of financing profitable and the provinces no doubt would also find it to their advantage. This method places all investment houses on an equal basis and would probably result in a better price being obtained.

• • •

Bond Index

THE trend of the market for high-grade Government bonds is indicated below:

1936	Price $	Yield %	1935	Price $	Yield %
Dec. 22	116.71	3.037	Dec. 21	111.50	3.606
Dec. 21	116.71	3.037	Dec. 20	111.57	3.598
Dec. 19	116.73	3.037	Dec. 19	111.54	3.603
Dec. 18	116.87	3.030	Dec. 18	111.54	3.603
Dec. 17	116.87	3.030	Dec. 17	111.52	3.607
Dec. 16	116.83	3.030	Dec. 16	111.56	3.601
Year's	117.91	2.966	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

Mining Dividends

	Rate	Close Dec. 21	Yield %
Anglo-Huronian	20c	6.70	..
Beattie Gold	†5c	1.24	..
Bralorne	40c+15c	7.85	..
Buff. Ankerite	20c	11.65	1.7
Bulolo Gold	‡1.40	29.50	..
Cariboo	10c	1.60	6.2
Central Patricia	†4c	4.25	..
Coniagas	12½c	3.25	..
Cons. Smelters	$1+$1	78.75	..
Dome Mines	$2+$2	48.75	8.2*
Falconbridge	30c	11.50	2.6
Hollinger	65c+45c	13.25	8.3*
Howey Gold	2c	.58	..
Hudson Bay	$1	32.50	..
Island Mountain	‡10c	1.10	..
Int. Coal & Coke	‡1c	.21	..
Int. Nickel, c.	$1.60	62.25	2.5
Inter. Mining	45c	13.75	..
Kerr Lake	5c	.62	..
Kirk. Lake	‡3c	.74	..
Lake Shore	$5	58.25	8.6*
Lava Cap M.	4c+1c	.90	..
Little L. Lac	20c	7.35	..
Macassa	15c	7.00	..
McIntyre	$2	39.00	5.1
McKenzie R. Lake	6+1c	1.88	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	.85	..
Nipissing	30c	2.51	..
Nor. Can. Mining	2c	.58	..
Noranda	$3	72.75	4.1
Pickle Crow	20c	7.35	..
Premier	12c+4c	3.64	4.3*
Pioneer, B.C.	80c	4.95	16.2
Reno	12c	1.20	10
San Antonio	14c	2.25	..
Sheep Creek	8c	.83	9.6
Siscoe	20c	4.70	4.2
So. Amer. Gold	30c	4.80	..
Sudbury Basin	10c	5.60	..
Sylvanite	20c	3.40	5.9
Teck-Hughes	40c+5c	5.20	8.6*
Toburn	8c	3.50	2.3
Ventures	2½c+2½c	2.84	..
Ymir Yankee Girl	5c	.37	..

‡Interim. †Initial. *Yield includes bonus.

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Municipal Finances

St. Honore Parish, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Feb. 1, 1936; also interest from Aug. 1, 1935 to Feb. 1, 1936, on bonds matured Aug. 1, 1932, 1933, 1934 and 1935.

• • •

Sandwich East Twp., Ont., has pulled itself "out of the red" and is now operating on a pay-as-you-go system, according to Reeve Ben Levert. The township started the year with a deficit of $15,000. This deficit has been wiped out and it is expected that the township will end the year with a balanced budget. During the current year $67,000 of tax arrears has been paid to Essex County. The only liability outstanding at the end of 1936 will be to bondholders, it is expected.

• • •

Leamington, Ont., has been notified of the appointment of C. W. McDiarmid as fiscal agent. He will make a survey of the financial position of the town and make a report to the Ontario Department of Municipal Affairs as regards refinancing the town's debenture debt.

• • •

Kingsville, Ont., finances are to be the subject of a survey by E. Blake Winter, president of the Guaranty Trust Co. of Canada, who has been appointed fiscal agent. He will make a report to the Ontario Department of Municipal Affairs and recommend a plan of refinancing for the town's debenture debt.

• • •

Mount Royal, Que., will be able to effect a sharp reduction in its tax rate in 1937, according to Mayor J. A. Dakin. In the current year the town will have a surplus of $40,000 to $50,000. The reserve will be kept with the Montreal Metropolitan Commission as a reserve against deficits in future years.

• • •

Chicoutimi, Ont., has been authorized by the Quebec Municipal Commission to pay interest coupons of June 1, July 1 and Aug. 1, 1934. Interest on bonds due Dec., 1933, and Jan., Feb. and March, 1934, will be paid to June, July, August and Sept., 1934, respectively.

• • •

Winnipeg, Man., is planning to seek some kind of financial assistance from the Manitoba Government, either in the form of broader taxation powers or decreased obligations. The special finance committee of the city council has decided that the Government should be asked to give the city and other municipalities a share of taxes on gasoline, liquor and motor vehicles; to relieve the city of the entire cost of unemployment relief and a portion of the cost of educational, police and fire protection services; or to give the city additional powers of taxation if either of the first two petitions is not granted.

• • •

Bourget Twp., Que., is paying interest to March 1, 1936, on bonds issued under by-law No. 17 and interest to June 1, 1936, on bonds issued under by-law No. 19.

• • •

London, Ont., is being asked by Ald. Holmes, acting mayor and finance committee chairman, to consider a proposal to consolidate the city's debt and reissue its debentures at a lower rate of interest under special legislation to be sought from the Provincial Government. Mr. Holmes has intimated that he intends to continue his campaign against issuance of further debentures for a period of seven years.

• • •

Black Lake School Commission, has been authorized by the Quebec Municipal Commission to pay interest coupons of April 1 and Aug. 1, 1934.

• • •

Ottawa, Ont., intends to make application to the Ontario Municipal Board for approval of the proposed expenditure of $350,000 on relief sewers. A by-law covering this expenditure was defeated by the property owners at the polls in the recent municipal election. Mayor Lewis feels that the closeness of the vote justifies such action. It is pointed out that a money by-law has not been carried in Ottawa elections since 1929.

• • •

St. Ambroise Parish, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Dec. 1, 1936.

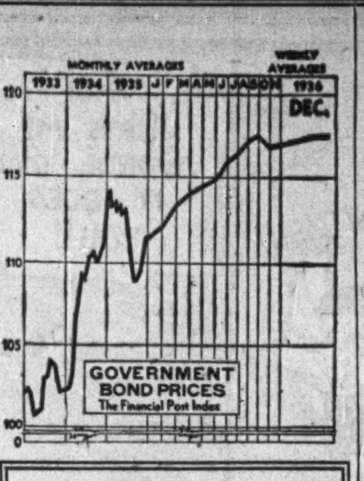
• • •

Chatham, Ont., reports that its bank borrowings are $20,000 less than a year ago and $60,000 less than three years ago.

Public Utility Earnings

B. C. Power

November:	1936 $	1935 $
Gross revenue	1,254,236	1,190,048
Operating expense	843,077	787,166
Net revenue	411,159	402,882
5 Months End. Nov.:		
Gross revenue	6,064,208	5,647,775
Operating expense	4,195,736	3,859,860
Net revenue	1,868,472	1,787,915



Bond Sales

Kitchener

The city of Kitchener has sold $132,000 of debentures to Cochran, Murray & Co., Ltd., Toronto. The issue is divided into two allotments, consisting of $60,000 of 2½% five-year installment debentures and $72,000 of 3% 20-year installment debentures. The price paid for the combined issue was 100.43, which is a cost basis to the city of 2.84%. Bids were as follows:

	Bids 2½%	3%	Combined
Cochran, Murray & Co.	101.225	99.766	100.43
McLeod, Young, Weir & Co.	.....	....	100.30
Harrison & Co.	100.87	99.78	100.28
Bartlett, Cayley & Co.	.....	....	100.2736
Harris, Ramsay & Co.	100.77	99.61	100.137
J. L. Graham & Co.	.....	....	100.00
McTaggart, Hannaford, Birks & Gordon	100.13	99.411	99.738
Griffis, Fairclough & Norsworthy	.....	....	99.63
Dom. Securities Corp.	100.927	98.46	99.58
Wood, Gundy & Co.	100.229	98.994	99.555
Nesbitt, Thomson & Co.	.....	....	99.54
Dominion Bank	100.575	98.614	99.505
R. A. Daly & Co.	100.34	98.57	99.37
Fry & Co.	.....	....	00.312
L. G. Beaubien & Co.; Seagram, Harris & Bricker	100.88	97.89	99.29
A. E. Ames & Co.	99.55	98.868	99.178
Midland Securities Corp.	100.112	98.22	99.08
Royal Securities Corp.	100.11	98.21	99.07
Harris, MacKeen, Goss & Co.	100.08	98.07	98.984
Dyment, Anderson & Co.	100.01	98.10	98.968
Gairdner & Co.	99.00	98.50	98.72727
Aird, MacLeod & Co.	99.57	....	....

• • •

Nova Scotia

Bank of Montreal heads a syndicate making a public offering of $5,111,000 of 15-year 3% non-callable debentures of the province of Nova Scotia. The offering price is 99 and accrued interest to yield over 3.08% to maturity.

The debentures, which are payable as to principal and interest in Canadian funds only, are a direct obligation of the province and a charge upon all revenues, moneys and funds of the province. Proceeds of the issue will be used to refund maturing obligations of $3.1 millions and to cover highway expenditures.

Two bids were received for the issue:

	Bids
Bank of Montreal; Bank of Nova Scotia; Dominion Bank; Royal Securities Corp.; Hanson Bros. Inc.; McLeod, Young Weir & Co.; McTaggart, Hannaford, Birks & Gordon Ltd.; Bell, Gouinlock & Co.; Mead & Co.; Harrison & Co.; Irving, Brennan & Co.	97.83
Wood, Gundy & Co.; A. E. Ames & Co.; Dominion Securities Corp.; Eastern Securities Corp.; Royal Bank; Bank of Commerce	97.37

Stormont, Dundas & Glengarry

United Counties of Stormont, Dundas and Glengarry, Ont., have sold an issue of $100,000 of 4% 20-year installment bonds to Dominion Securities Corp., Toronto, at 107.32, which gives a cost basis of 3.22%. Bids were as follows:

	Bids
Dominion Securities Corp.	107.32
Wood, Gundy & Co.	107.07
Bank of Nova Scotia	107.00
McLeod, Young, Weir & Co.	106.21
Griffis, Fairclough & Norsworthy	106.32
Harrison & Co.	105.92
R. A. Daly & Co.	104.51
Dyment, Anderson & Co.	104.11
Bank of Montreal	103.18
Barrett & Co.	101.80

County of Lanark

County of Lanark, Ont., has sold $15,000 of 3½% 10-year installment bonds to J. L. Graham & Co., Toronto, at 103.577, which is a cost basis of 2.80%. Bids were as follows:

	Bids
J. L. Graham & Co.	103.577
Wood, Gundy & Co.	102.02
C. H. Burgess & Co.	101.53
Dominion Securities Corp.	101.57
W. L. McKinnon & Co.	101.25
R. A. Daly & Co.	101.04
Midland Securities Corp.	100.26
Aird, MacLeod & Co.	99.732

Three Rivers

The City of Three Rivers, Que., has awarded an issue of $159,400 of 3½% 30-year serial bonds to Hanson Bros. Inc., at a price of 98.57. This represents a cost basis to the city of 3.63%. Five groups submitted tenders for this issue.

Buckingham

Credit Anglo-Français Ltd. has purchased $50,000 of 3½% bonds, due 1937-46, and 4% bonds due 1947-56, from the Town of Buckingham, Que. The price paid, 98.77.

Cape Breton County

Johnston & Ward and Irving Brennan & Co. are offering an issue of $133,000 of 4½% bonds, due 1937-55. The schedule of prices ranges from 100.85 to 103.35 according to maturities, and yields from 3.5% to 4.24%.

Bolton

The village of Bolton, Ont., has sold $30,000 of 4% 30-year installment bonds to J. L. Graham & Co. at 100.073.

Laval sur le Lac

The town of Laval sur le Lac, Que., has sold $46,000 of 3½% bonds, due Nov. 1, 1937-46, and 4% bonds, due Nov. 1, 1947-56, to Banque Canadienne Nationale at a price of 98.30.

Drastic Revision Made In Windsor Bond Plan

Interest Rate Cut and Income Feature Deleted by Board

Contrary to all expectations the decision of the Ontario Municipal Board on the Windsor refinancing scheme provides for a bigger cut in interest, shortens the term of the bonds, deletes the income interest feature and permits a greater expansion of the city's budget without benefit to bondholders. No change is made in the amount available for payment of past due interest.

The decision, in fact, exceeds the worst fears of debenture holders expectations having been that there would be little change in the plan as submitted to the Board by the fiscal agents and the bondholders' protective committee.

The plan, as revised by the Municipal Board, provides for interest on the new bonds of the four merged municipalities as follows:

Walkerville, 3% instead of 4½%.
Windsor, 3% instead of 3½%.
East Windsor, 1¾% instead of 2%.
Sandwich, 1¼% instead of 1½%.

Term Shortened

To some extent, however, the reduction in interest is offset by the fact that the Board proposes that the term of the bonds should be shortened considerably. Whereas the plan submitted to the Board provided that all new bonds should be for a 60-year term, the decision of the board provides a 40-year term for Windsor, East Windsor and Sandwich bonds and a 30-year term for Walkerville bonds.

In shortening the term of the bonds the Board points out that the various works for which the borrowed money was expended will require replacement within the 60-year term proposed by the fiscal agents' plan. Succeeding generations will have their own needs and aspirations. "It seems to the Board, therefore," the judgment states, "neither wise nor sound to require two generations of taxpayers to pay for capital structures which are capable of serving only one generation."

In reducing the mandatory interest rates the Board took the stand that the burden of taxation on real estate must be taken into consideration.

Income Feature Deleted

In finding against the income interest feature of the fiscal agents' plan the Board took the view that this clause would have been a constant source of irritation between the city and its creditors. The Board, nevertheless, recognizes the principle that the creditor of a defaulting municipality should receive a fair share of any increased prosperity and in this regard an alternative to the income interest feature is provided. Provision is made that in 1940 and at the end of any five-year period thereafter bondholders may make application to the Municipal Board for an increase in interest.

Under the income feature it was provided by the fiscal agents' plan that if operating expenses were increased over $2.7 millions, which is $100,000 higher than the present budget, an additional amount equivalent to 125% of the increase was to be provided in the budget for debt service. This additional 125% was to be divided; three-fifths for income interest and two-fifths for sinking fund.

Budget Expansion

The judgment of the Board permits expansions of the budget to $2.9 millions, without any benefit accruing to bondholders. It is also provided, however, that discount of taxes of $120,000 in the 1936 budget is not to be taken as an operating expense so that the actual budget expansion permitted is about $300,000 in excess of the figure suggested by the fiscal agents. For each dollar that the budget of operating expense is increased over and above the $2.9 millions figure one additional dollar is to be levied for sinking fund purposes.

The result of the action in shortening the term of the bonds is to produce a sinking fund, on a 3% earning basis, of 63%, as compared to 77% under the fiscal agents' plan. For this reason various ways of strengthening the sinking fund are provided for.

Bonds Callable

Under the original scheme it was contemplated that sinking fund trustees would make purchases of the new bonds in the open market, where it was expected they would sell at a discount for some time. In this connection the Board refused to grant any special powers and further decided that the bonds should be callable at par so that if the sinking fund permits in later years they may be retired before maturity.

Objections made by the Hydro-Electric Power Commission of Ontario to the plan were not sustained, the Board deciding that debentures issued by the city for Hydro purposes should be treated as a part of the consolidated debt. There is nothing, the judgment states, in the debenture by-law nor on the face of the debentures which gives holders of these debentures the right to special consideration.

An amendment to the plan proposed by the Canadian Bank of Commerce, with the approval of the bondholders' protective committee, in regard to settlement of certain advances made by the bank following the default is approved. In addition the bank retains its lien on 1932 and prior taxes to the extent of $1.1 million.

W. E. & L. S. Bonds

The Board finds against any settlement of the liability of the city in connection with the debentures of the Windsor, Essex and Lake Shore Electric Railway Association. Action in regard to this liability will have to await such time as refunding is worked out for other municipalities which are jointly and severally liable with the city of Windsor.

Until Jan. 1, 1938, the city is to remain under the supervision of the Department of Municipal Affairs. Provision is made, however, that the city must submit its budget during the life of the plan to a committee of three bondholders for approval. If the committee refuses to approve the budget then the city must make application to the Ontario Municipal Board to settle the dispute.

Walkerville Suffers

The reduction in interest provided for by the Municipal Board will mean a total annual saving in interest to the city of $180,000, it is estimated. This is divided as follows: Walkerville, $56,000; Windsor, $96,000; East Windsor, $17,000; Sandwich, $11,000. If this saving is passed on to the taxpayer it will mean a saving of about two mills on the tax rate on the basis of the present assessment.

A reduction of two mills in the tax rate will mean a saving of $27,000 to taxpayers in the Walkerville area; $115,000 to Windsor; $18,000 to Sandwich, and about $26,000 to East Windsor. In effect, this means that taxpayers of the former town of Walkerville will be contributing toward the debt service of the other three municipalities with which it is merged. At the end of the 30-year term, when its bonds mature, the Municipal Board will decide to what extent the Walkerville area should be relieved of debt charges.

No statement of the attitude of the bondholders' protective committee to the decision is obtainable. A meeting of the committee will be held next week to decide as to what action should be taken. There are certain to be a number of strenuous objections and it is possible that the committee will refuse to accept the plan, especially since its attitude at the time of the public hearing was that it would not accept any major alteration. On the other hand it is stated that it may take the easiest way out of the troublesome situation by accepting it.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1'37	100
Riordon Pulp	‡6%	1942	Dec. 31	105
Mississippi River	*5%	1951	Jan. 1	105
Avon River, A	5½%	1956	Jan. 1	103
Do., B	5½%	1957	Jan. 1	103
Do., C	5½%	1958	Jan. 1	103
Can. Bread	▲6%	1941	Feb. 1	110
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101
New Eng. Power	5%	1951	Jan. 1	105
Indust. Accept. A	6%	1940	Jan. 25	105
Col. Steamships	†6%	1941	Jan. 1	100
Confed. Amuse. A	6½%	1951	Feb. 1	102
Tor. Harbor C.	4½%	1953	Mar. 1	105
Reliance Gr., A	6%	1946	Jan. 2	105
Cont. Paper Bag	5%	1960	Dec. 31	100
B. C. Power, A	5½%	1960	Mar. 1	104½
Do., series B	5%	1960	Mar. 1	104½
Can. Cons. Rub'r	6%	1946	Apr. 1	110
La Patrie Pub.	6½%	20-yr.	Jan. 1	106
Interlake Trans.	6%	1943	Dec. 16	117½

For sinking fund: ‡$81,000. ▲$100,000. *$155,000. *Maturing from Aug., 1937, to 1966. †$33,000.

Stock Issues:				
Toronto Elevators	7%	Pref.	Mar. 8	110

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19	Dec. 21
U. S. Dollar, High	.99¹¹⁄₁₆	.99⅞	.99¹¹⁄₁₆	.99¹¹⁄₁₆	.99¹¹⁄₁₆	.99¹¹⁄₁₆
Low	.99¹¹⁄₁₆	.99¹¹⁄₁₆	.99⁵⁄₈	.99¹¹⁄₁₆	.99⅝	.99⅝
1935 High	1.00¹¹⁄₁₆	1.01⅛	1.01⅛	1.01¹¹⁄₁₆	1.01¹¹⁄₁₆	1.01⅞
Low	1.00¹¹⁄₁₆	1.00¹¹⁄₁₆	1.00¹¹⁄₁₆	1.01⅛	1.01⅛	1.01¹¹⁄₁₆
U. K. pound	4.90	4.90¾	4.91	4.90¾	4.90½	4.90
Australia	3.9132	3.9275	3.9204	3.9179	3.9277	3.9250
Austria	.1872½	.1872¼	.1873¼	.1873¼	.1872¼	.1872¼
Belgium	.1688¾	.1688¾	.1692	.1691	.1689¾	.1689¼
Brazil	.0597	.0597	.0597	.0605	.0597	.0597
Czechoslovakia	.0352½	.0352½	.0352½	.0352½	.0352½	.0352½
Denmark	.2189¼	.2191¾	.2191¾	.2189¾	.2190¼	.2190¼
France	.0466	.0466¾	.0467¼	.0466¾	.0467	.0467
Germany	.4020	.4019½	.4019½	.4019¾	.4019½	.4019½
Greece	.0090	.0090	.0090	.0090	.0090	.0090
Holland	.5439	.5445⅛	.5464¾	.5476¾	.5469½	.5469½
Hungary	.1977½	.1977⅛	.1978	.1978½	.1977½	.1977½
India	.3708¼	.3711¼	.3711¼	.3716¾	.3711¼	.3711¼
Italy	.0525¾	.0525¾	.0525¾	.0525½	.0525¾	.0525¾
Japan	.2849½	.2849½	.2855	.2857¼	.2851½	.2851½
Jugoslavia	.0233¼	.0233¼	.0233¼	.0233¼	.0233¼	.0233¼
New Zealand	3.9446	3.9600	3.9530	3.9495	3.9588	3.9575
Norway	.2464	.2466½	.2465	.2463½	.2465	.2465
South Africa	4.8900	4.8975	4.900	4.8975	4.8950	4.8950
Sweden	.2527¾	.2531¼	.2533½	.2528⅛	.2532¼	.2532½
Switzerland	.2296	.2296¼	.2297¼	.2297¼	.2297½	.2297½
Hong Kong	.3048	.3046⅛	.3048	.3055⅛	.3056	.3054

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Laval sur le Lac	Dec.	Banque Can. Nationale	3½ & 4%	Ser.	$46,000	98.30	....
Bolton, Village of	Dec.	J. L. Graham & Co.	4%	30-ins.	30,000	100.073	3.99%
Kitchener	Dec.	Cochran, Murray & Co.	2½% 3%	1937-41 1937-56	60,000 72,000	100.43	2.84%
Three Rivers	Dec.	Hanson Bros.	3½%	1937-66	159,400	98.57	3.63%
Buckingham	Dec.	Credit Anglo-Francais	3½ & 4%	Ser.	50,000	98.77	....
Lanark County	Dec.	J. L. Graham & Co.	3½%	10-ins.	15,000	103.577	2.80%
United Counties of Stormont, Dundas & Glengarry	Dec.	Dominion Securities	4%	20-ins.	100,000	107.32	3.22%
Cape Breton County, N.S.	Dec.	Johnston & Ward, Irving, Brennan & Co.	4½%	1937-55	133,000	....	....
Thornbury, Ont.	Dec.	Privately	....	....	5,000	....	....
Provincial—							
Nova Scotia	Dec.	Bank of Montreal & Syndicate	3%	1952	5,111,000	99.00	3.08%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Reliance Grain	Dec.	Nesbitt, Thomson & Co.	3% 4½%	1938-43 1952	$400,000 1,600,000	100.00 100.00	[illegible]
General Theatre Investment	Dec.	W. C. Pitfield & Co.	3-4½%	[illegible]	[illegible]	[illegible]	[illegible]
Industrial Acceptance Corp.	Dec.	Greenshields & Co., McLeod, Young, Weir & Co., Harris & Co.	4%	1950	2,000,000	100.00	4%

VICTORIA TREASURER

At the annual meeting of the Board of Regents of Victoria University, John A. Rowland, K.C., (above) was appointed treasurer and elected a member of the board. Mr. Rowland is vice-president and joint general manager of the Canada Permanent Mortgage Corporation.

Mr. Rowland succeeds Mr. W. E. Rundle, president of the National Trust Company, who was treasurer of Victoria University for over 20 years. Mr. Rundle resigned because of ill health.

Income Tax Problems

I would be most grateful if you would briefly outline provisions of the Federal Income Tax Act in respect to gifts. I have made several rather substantial cash presents this Christmas and would like to know just how these are regarded by the income tax authorities.

A gift tax was incorporated in the Income Tax Act in 1935. It applies only on gifts where the aggregate value during a year exceeds $4,000, and is based on a sliding schedule of rates which varies from 2% tax on gifts up to $25,000 to 10% on those of more than $1 million. Exempted are donations to charitable or educational institutions and to governments and municipalities. The tax is payable by the donor, or, if he fails to pay, by the recipient.

There is a clause in the act, however, which provides that gifts to any one person which do not total more than $1,000 in one year, are free of tax. That is, if gifts of $2,500 are made to two persons, the amount taxable would be $5,000, the aggregate of the gifts, less the $4,000 exemption, or $1,000. If on the other hand, five gifts, each of $1,000, had been made to five different persons, no tax at all would be payable.

No Deduction Allowed

Such gifts, or gift taxes, are not allowable as a deduction from the income of the donor when he makes out his income returns to the federal department. But neither are they included as part of the income of the recipient. In this respect, it is sometimes necessary to draw a rather fine distinction between a gift and a "bonus." A person who is paid a bonus must usually consider it as a part of income; the department considers it part of salary. If, however, the bonus payment is exceptionally large, say $1,500 paid to an old employee whose annual salary is relatively small, then it possibly might be considered a gift for income tax purposes. Such cases should be referred to the department for a ruling.

For income tax purposes gifts between husband and wife are not regarded as gifts at all. They are not subject to the provisions in the act dealing with gifts, but are dealt with in another section. This section provides that where a husband transfers property to his wife, or vice versa, the husband or wife as the case may be shall nevertheless be liable to be taxed on the income derived from the property as if such transfer had not been made. It is designed, of course, to prevent transfers to evade taxation.

Interpreted literally, this would mean that a $1,000 cash gift to one's wife, in so far as income from it was concerned, would be taxable as part of the husband's income. In actual practice, the department usually takes a common-sense view, and provided they are satisfied the gift was not to get around provisions of the act, and if it is relatively small, will let it go through as an ordinary gift to some other person.

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Company Reports

Frost Steel & Wire

Frost Steel & Wire Co. reports net earnings of $88,110 for the year ended Oct. 31, 1936, compared with $57,705 in the preceding year. This covered first preference dividends comfortably but leaves a surplus for the year slightly less than the $35,000 required for second preference dividends which are not being paid. Arrears on the first preferred remain at $19.25 a share although the full annual rate of $7 a share is now being maintained.

Income and Surplus
Years Ended Oct. 31

	1936 $	1935 $
Net operating profit	111,365	92,810
Less: Depreciation	11,141	11,455
Fact. mgt. & selling	9,000	9,200
Prov. for taxes	13,390	10,000
Directors' fees	330	225
Exec. sals. & legal exps.	11,250	12,600
Net earnings	66,254	49,330
Int. on invests., rentals, etc.	12,288	8,375
Adj. life insur.	9,468	......
Net profit	88,110	57,705
Less appropriations:		
First pref. divds.	58,870	58,870
Surplus for year	29,240	‡1,165
Add: Prev. surplus	617,076	616,712
Prof. on sale of secs.	......	1,644
Less: Life ins. prem.	......	115
Bal. carr. fwd.	646,316	617,076

‡Deficit or loss.

	1936 $	1935 $
Current assets	766,686	704,411
Current liabilities	46,110	39,880
Working capital	720,576	664,531
Ratio	16.62—1	17.66—1

Canada Dry

Expansion by Canada Dry Ginger Ale, through formation of Canada Dry International Inc., will involve construction of four new plants in 1937, according to the company's annual financial report for the fiscal year ended Sept. 30, 1936. Extract will be sold for bottling in foreign countries.

Earnings equal to 35 cents a share showed a decline from the 47 cents in 1935. Indications that the company is conserving its financial resources in view of the expansion programme, are given by the fact that no dividend has been paid in the last fiscal year, against a payment of 45 cents in the 1935 fiscal period.

Current assets in excess of $3 millions included $828,138 cash and $827,770 accounts and notes receivable. Inventories were $1.6 million.

Cons. Income Account
Years Ended Sept. 30

	1936 $	1935 $
Gross oper. profit	5,244,477	5,109,641
Less: Selling exps.	4,780,542	4,506,321
Net oper. profit	463,935	603,320
Add: Other income	145,305	139,450
Gross earnings	609,240	742,770
Less: Misc. deduct.	128,992	255,280
Net earnings	480,248	487,490
Less: Depreciation	207,281	190,388
Interest	30,060	10,288
Inc. taxes est.	60,507	46,392
Net profit	182,400	240,423
Less: Dividends	......	230,639
Surplus for year	182,400	9,784

Working Capital

	1936 $	1935 $
Current assets	3,264,897	3,034,192
Current liabilities	981,042	841,856
	2,283,855	2,192,336

Harding Carpets Ltd.

Net earnings of 31.9 cents a share on the outstanding 170,000 common shares of Harding Carpets Ltd. are reported by the company for the fiscal year ended October 31, compared with 22.6 cents in the previous fiscal period.

Increased sales volume is reported in all departments of the company's operations and further expansion is in sight as a result of a contract granting the company exclusive rights to produce rugs on a royalty basis under the process used by Artloom Corp., of Philadelphia. Machinery is installed for the purpose and is now producing satisfactorily.

Elimination of a bank loan of $14,000 is revealed in the company's report and working capital has increased from $254,775 to $327,370, the royalty agreement with Artloom Corp. entailing a minimum of capital expenditure. Directors anticipate payment of dividends half yearly and have declared a 10-cent dividend payment Jan. 2 to holders of record Dec. 19.

Comparative figures follow:

Income and Surplus Account
Years Ended Oct. 31

	1936 $	1935 $
Earns. from operations*	114,086	92,584
Less: Depreciation	48,564	47,003
Provision for taxes	11,200	7,100
Net profit	54,322	38,481
Less: Dividends	8,500	......
Surplus	45,822	38,481
Add: Prev. surplus	81,584	43,554
Less: Inc. tax adj., pr. yr.	591	451
Balance carried forward	126,815	81,584

*After charging all administrative, selling and general expenses.

Working Capital

	1936 $	1935 $
Current assets	374,346	305,976
Current liabilities	46,976	51,201
Working capital	327,370	254,775
Ratio	7.97—1	5.97—1

Reliance Grain

Reliance Grain Co.'s gross revenue for the nine months ended Sept. 30, 1936, totalled $435,744. After providing $163,280 for depreciation, balance of profits available for bond interest and income taxes totalled $272,463. Comparative figures for the previous year are not available, but in the year ended Dec. 31, 1935, the company showed a gross profit of $441,042 and a balance for bond interest and income tax of $225,763.

Consolidated balance sheet of the company as at Sept. 30, 1936, shows relatively few changes from that reported at the end of 1935. Bank loans show a moderate increase at $5.5 millions, while inventories at about $8 millions are up $1.7 million from the end of 1935. The consolidated cash position stands at $100,138, an improvement of around $75,000 since the beginning of the year.

International Paints

International Paints (Canada) report profits from operations at $138,160 and a total income of $139,709 for the fiscal year ended September 30 last. This compares with $108,507 in the preceding 12 months. Net earnings for dividends amount to $42,000, or about $13,000 greater than in 1935. This has permitted the company to pay the regular dividend of 5% per annum for the nine months ended Sept. 30, and an additional dividend of 25 cents a share on account of arrears.

Profit and Loss Account
Year Ended Sept. 30

	1936 $	1935 $
Gross revenue	139,709	108,507
Less: Interest	8,715	10,022
Depreciation	34,192	38,883
Directors fees	2,400	1,420
Exec. salaries	18,845	16,877
Legal fees	3,754	375
Tax reserve	14,055	7,514
General reserve	7,180	4,111
Amort. reserve	8,568	......
Net profit	42,000	20,484
Less: Dividends	31,500	......
Org. expenses	3,239	1,507
Previous surplus	48,255	20,078
Surplus forward	55,515	46,255

Working Capital Position

	1936 $	1935 $
Current assets	557,108	515,295
Current liabilities	68,407	76,721
Working capital	488,701	438,574

Silverwood's Dairies Adds 4 New Directors

Board of directors of Silverwood's Dairies Ltd., London, Ont., was increased to 11 at this week's annual meeting with addition of four new members.

New directors are J. Harold Duplan, general manager; J. Harold Gillies, secretary, both of London; L. E. Pollock, Toronto manager; T. R. Harrison, Toronto investment dealer.

Optimism on the outlook was expressed at the meeting, which otherwise was of a routine nature.

PROFITS FOR 1937

THERE IS NO INDUSTRY THAT CANNOT PROFITABLY EMPLOY THE SERVICES OF AN INDUSTRIAL CHEMIST AND TEST ENGINEER WITH HIS WEALTH OF EXPERIENCE IN INVESTIGATING, RE-VAMPING AND PERFECTING PROCESSES AND PRODUCTS. NO INDUSTRY AND NO SINGLE UNIT OF AN INDUSTRY CAN AFFORD THE LUXURY OF LETTING WELL ENOUGH ALONE, FOR THERE IS NO FINALITY TO PERFECTION OF PROCESS OR TO QUALITY OF PRODUCT. LET 1937 MARK YOUR ENTRY INTO THE FOLD OF PROGRESSIVE MANUFACTURERS WHO ARE BRINGING INTO THEIR INDUSTRIES THE TALENTS AND KNOWLEDGE OF AN INDUSTRIAL CHEMIST.

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TORONTO, DECEMBER 26, 1936

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

A Primer of the Power Debate

THE simple facts of the controversy between the Province of Ontario and investors in the bonds of Quebec power companies are these:

Ontario needed power. Engineers for the provincial electric system decided that the cheapest power was available from Quebec Province. They recommended that the province tie up large blocks of this cheap power for a long term of years. The province bought power; it bought more for early delivery than it could possibly use.

Mr. Hepburn's government came in. It emphasized the improvident nature of the contracts and talked of political corruption. It made no public attempt to track down and punish the alleged corruption. But it cancelled the contracts outright.

Later the province discovered that its action was too hasty; some members of the Government may even have concluded that it was unjust. The province renewed some of the contracts on modified terms. Now it is heading into a power shortage and needs to buy back even more of the power it cancelled.

No Government—except Mr. Baldwin's—likes to admit it has made a mistake. Mr. Hepburn's Government does not like to reverse its action. It does not like to admit that the repudiation proved particularly costly to insurance policyholders, ordinary investors and other classes of bondholders, while opening up possibilities for enormous speculative profits by insiders. It still keeps harping on the allegation of corruption; it still invents new terms of abuse in order to conjure up a picture of a group of exploiting financial ogres who stood to benefit from the power contracts.

No doubt there is some conflict within the Cabinet. It is hard to believe that the Premier is as happy about the dishonesty of repudiation as his attorney-general. But even the Premier has said some bitter words and does not care to eat them.

It appears now that the province may sign new contracts for all or most of the power it cut off. It will undoubtedly pay less for the power, having clubbed the power companies into submission to its dictated terms.

There is a good deal of abusive argument about whether or not there was an opportunity before for the power companies to adjust the contracts to give the province more favorable terms. As the Cabinet ministers were playing the lowest form of politics and some, at least, of the power executives were men distinctly out-dated in ideas of public service and public relations, there was not much chance of such new contracts earlier. But now they seem to be in prospect.

Investors may recover a large portion of their losses.

Ontario's reputation in the world's investment markets has been dishonored unnecessarily. The repudiation legislation must be entirely removed from the statute books before Ontario can hope to regain its honorable standing once more.

An honorable reputation is worth dollars and cents to a borrowing province.

A National Farm Policy

HON. J. G. GARDINER, Dominion Minister of Agriculture, made a commendable move when he called all provincial ministers of agriculture into conference at Ottawa last week and asked their co-operation in evolving a national sales policy for Canadian farm products. Had such a course been adopted previous to the launching of a Natural Products Marketing Act it is extremely doubtful whether the objectionable and impractical compulsory features of that legislation would ever have been put on the statute books.

There is a good deal of overlapping in the matter of grading and other regulations between provincial and federal agricultural authorities which must be eliminated before any really effective national policy can be established. But this co-operation of the provinces is only a preliminary step toward formulating a policy which will take the fullest advantage of the international markets for the varied products of Canadian farms.

Admittedly it is going to be a big problem to create a uniform export of high quality products from a supply which naturally fluctuates widely from year to year. Weather, over which man exercises practically no control, is the main factor determining volume in many of the lines concerned. But over a period of years some general average in production can be fairly accurately determined, provided, of course, we confine our general policy toward growing these products for which our climate, soil, population and location are especially adapted. For results of any permanence we must necessarily confine agricultural production to natural lines, depending on quality, uniform supply and low cost rather than quotas, subsidies and other artificial props to ensure export markets.

Aggravating the general problem is a certain fluctuation in the export markets themselves. In the last twenty years the United Kingdom has been one of the biggest and steadiest buyers of Canadian bacon, fruit, cheese and wheat. But there have been other outlets, not so dependable from the standpoint of uniform volume, but decidedly more profitable to the seller. The United States, for instance, has made heavy purchases of livestock, wheat and cheese at highly remunerative prices in the last two years. How to retain the United Kingdom market and at the same time take advantage of any other unusual, even though temporary expansion, in other directions, is one of the many knotty problems facing the designers of any Canadian agricultural sales policy.

Lessons Learned at Rubec

A MINING broker recently expressed the opinion that the newspapers had done "a lot of harm to the mining industry" by giving prominence to the fact that drill core assays at Rubec had been "salted," or faked.

Much more harm will be done if some person or persons are not sent to jail with a stiff sentence for doing the faking.

The report of the government engineer, after stating that the sensational results which sent the stock from 15 to nearly 60 cents overnight were faked, proceeds to absolve the directors and certain of the promoters from blame.

This, of course, is not enough. It does not take the facilities of a Scotland Yard to ascertain who is guilty of this crime. The course of a drill core from the mine to the assay office is a simple one, and it should not be difficult to lay the blame.

In giving prominence to the report, the newspapers are merely giving the facts and therefore functioning as they should. The newspapers cannot be blamed for the news.

In giving these facts they are, incidentally, doing the mining industry a real service.

The present phase of the mining boom may be said to have started with the assay from one drill core early last summer. True, conditions were ripe for a mining market boom, but the drilling at MacLeod-Cockshutt Mines set off the spark. Since that time The Financial Post has frequently commented on the overemphasis which the public were inclined to place on isolated drill results. The Rubec affair will do more to drive this lesson home than columns of printed advice.

Briefly, then, the Rubec fiasco, regrettable as it was, will have served some purpose if it places behind the bars men who have no place in the Canadian picture, and if it convinces the public of the danger inherent in single drill assays.

Canada Should Avoid This Tax

IN THEIR search for the perfect tax, all nations observe closely the experiences of other nations. Curiously enough, the amateur economist usually thinks that the tax system of his country is wrong and the tax system of some other country right.

Frequently, in Canada, we are urged to adopt the United States system of including capital gains as income for taxation purposes. Why, it is asked, should the man who makes a fortune in the stock market not be taxed on it? And why, it is also less frequently asked, should the man whose assets depreciate in value not be granted some allowance for that when he figures his income?

Over in the United States discontent with the capital gains tax is general among economists and newspaper commentators. It is pointed out that one reason stocks went to such absurd values in 1929 is that large holders did not want to take their profits and be taxed on them. And it is pointed out that one reason the market went to such a low point in the middle of the depression is that all the wealthy people rushed to sell their stocks, take their losses and save on their income tax.

As a matter of fact, under present tax rates, a very wealthy man could afford to see his stocks go down to less than half their current value rather than sell them and be taxed on his profits.

The system makes for one-sided markets, moving too far upward and too far downward, with consequent stimulus to extreme swings in business, which create widespread unemployment and distress.

Canada had better think twice before adopting the American system. In fact the United States itself may revise its capital gains tax very radically within the next year or so.

Houses for Low Incomes

NOTHING in the way of a definite solution for the provision of housing in the lowest priced bracket has yet emanated from Ottawa. Nor for that matter has anything very practical come from the parties chiefly concerned, the big municipalities, where for years overcrowding in insanitary quarters has been the lot of a considerable percentage of the population.

The Dominion Housing Act, with its stimulation of building in the $3,500 house class and upward, will not help here, nor will the more recently launched home improvement loans. Both policies are based on the good credit standing of the recipient, whereas the average family living in the marginal land fringing the business or industrial sections of the big city have little credit standing. They occupy rented quarters in a location not yet valuable enough for business or industrial purposes and yet too costly for new residential development of the orthodox type.

A revision of the present system of taxation might conceivably see the destruction of the slums and other quarters occupied, but the problem of housing the population ejected would remain. Continuance of recovery on a sharply accelerated scale would restore a large proportion of these present unfortunates to the status of economic independence, but if surveys of social authorities are to be believed there are a certain percentage of people who, even in the best of times, are still unable to earn quite enough to house themselves adequately. It is the provision of minimum but decent shelter for this class that confronts Canadian housing authorities.

Something is necessary to bridge the gap from the $10 per month these people may be able to pay for housing to the $15 or $18 which is the lowest rate at which such housing may be economically provided.

Various municipalities in the past have launched schemes fostered by subsidies or special concessions, but none of these has proved particularly successful, usually because there are too many local politicians willing to prey upon a maudlin sympathy that hampers practical philanthropy.

There are various ways in which the low-cost housing can be financed. Whatever method is used is hardly likely to obviate the necessity of regarding a part of the carrying costs as a social service expense.

What Montreal Needs

A PRESS dispatch regarding the election of Adhenar Raynault as mayor of Montreal, says:

> "The city is so deeply in debt that ingenuity will be necessary even to devise ways to meet the interest, especially in view of Raynault's pledge to kill the city sales tax."

It would be more accurate to say that the city is so deeply in debt that honest economy will be necessary.

Editorials in Brief

The more pessimistic the International Wheat Committee "experts" become about the future of wheat the higher prices rise. It would seem to be about time to disband such a fatuous committee and demobilize the experts.

• • •

The Canadian-West Indies League, of which T. B. Macaulay is the perennial president, is celebrating its 25th anniversary. The league's studies and reports have helped to inform Canadians and West Indians alike of the possibilities inherent in trade and travel between them.

• • •

Ontario and Nova Scotia have recently borrowed money at slightly over 3%. Kitchener borrowed money at less than 3%. Such cheap money cannot be had forever. The shrewdest treasurers are now refunding their short term issues for longer periods.

• • •

In two years the value of stocks listed on the New York Stock Exchange has doubled. During the same period brokers' loans have remained practically unchanged. In short, the advance has taken place on a "cash" basis as distinct from the 1927-1929 advance, which was accompanied by a large increase in loans.

• • •

Some magazines, printed weeks before publication date, are appearing with articles about Edward VIII's coronation. Bad breaks like these are unavoidable in the publishing business. They are what age editors. Even daily newspapers, which are edited from hour to hour, have similar problems. They have to write many stories in advance and put them in the past tense. Many a man on the way to his own wedding has read a complete account of the affair in the afternoon paper.

• • •

Canada charges 5% income tax on dividends paid Americans. The United States charges 10% tax on dividends paid Canadians. The situation is most unfair. But the United States legislation makes provision for reciprocal arrangements with contiguous countries. By agreement the rate can be reduced to 5%. It is Canada's fault that no such arrangement has been made. Negotiations have been carried on, but due to official indifference have not been pushed vigorously. The lawyers at Ottawa have lost the simple issue in a shuffle of technical legal points.

Sayings of the Week

"The common sense of the British people will prevail."—*Sir John Simon.*

"Canada will be a leader in world affairs before we realize it."—*Howard Green, M.P.*

• • •

"I believe that the pressure of surplus forces the discovery of new uses for material."—*Henry Ford.*

• • •

"In England £3 out of every £5 of an individual's income tax goes to social security taxation."—*Lady Nancy Astor.*

• • •

"Whether for good or for bad, the League of Nations is 'All over.' I think it is for good but many think it is for bad."—*Lord Beaverbrook.*

• • •

"Nothing will pay off our national debt faster than development of minerals."—*F. C. Brown, vice-president, Canadian Manufacturers' Association.*

• • •

"What with the Dionne quintuplets and the Stork Derby in Toronto, I think we should change the name of Canada to Candad."—*Lionel Forsyth, K.C.*

• • •

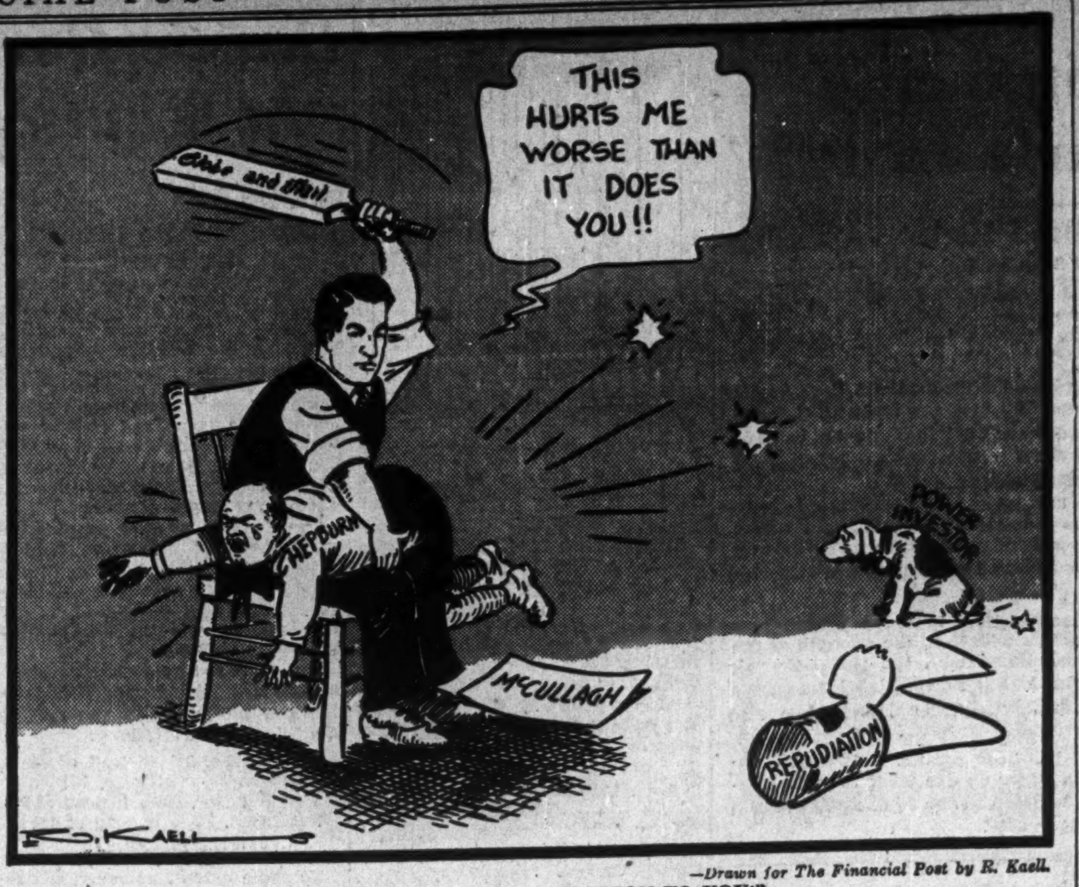
"Satan, who is a thoroughly bad character and does not live right, provides more employment than Henry Ford and the WPA combined and gets nothing but abuse as his reward."—*Westbrook Pegler.*

• • •

"The time is galloping toward us on horseback when again, as of old, fathers will call to their sons and say, 'All I shall ever be able to give you is a good education.' And who could ask for a better fortune than that?"—*Tyler Dennett, president, Williams College.*

• • •

"It is clear that the public regards businessmen as among the leaders. It cheers them lustily when great achievements are undertaken and achieved and under such circumstances often condones quite glaring faults. When enterprise slackens the public is equally unreasonable in its criticism of business leadership."—*Richardson Wood.*



—*Drawn for The Financial Post by R. Kaell.*

"... AND LET THIS BE A LESSON TO YOU!"

Inventory of Executives

By EDWARD R. STETTINIUS, Jr.,

Morgan partner and General Motors' finance chairman, writing in "Management Review."

The quest for leaders is as old as the race. But that quest is more active today than ever before in our industrial history. This, I think, is chiefly because many new problems have arisen to create a crying need for a new type of business leader.

From the countless millions within and outside the doors of business, it would seem that one would only have to pick and choose. But when, behind the scenes, the businessman is confronted with any great or intricate problem of organization, he is certain to be perplexed by the scarcity of men capable of serving as leaders.

To me, the crux of the situation is not so much the need for men, nor the scarcity of proven leaders, as it is the failure of business management generally to introduce an orderly and methodical system for the discovery, development and assignment of executive personnel.

We have gone on the theory that the men needed—the leaders of today and tomorrow — are automatically available among the millions in industry.

But how incomplete, and how largely fortuitous are the catch-as-catch-can methods that business all too frequently employs to find them!

Certainly it must be admitted that the search for executives is only rarely what in any sense could be termed scientific. Someone has aptly described the scientific approach as a "careful analysis of the facts—comprehending logical deduction from the facts, humility before the facts, and a sense of stewardship."

It has come to be that the man who has the ability to marshal all the relevant facts, to weigh and evaluate them, to derive logical conclusions from them and base his leadership thereon, is the type of individual required in the topside posts in industrial management today. Today, as never before, one is not overhandicapped in the scale of promotion by the lack of long years of service with an enterprise. Ability and performance, of course, are the most important considerations.

Men, the prime necessity and supreme asset of any business, are rarely evaluated among its assets. Granting that it is difficult to evaluate human beings with exactness, is it not strange that while large organizations maintain precise inventories of physical properties and materials, men — and principally executives and leaders — infrequently enter into the equation?

We Learn From Dictators

New York Times

The world is learning from the dictators. It is discovering that by their very nature dictatorships must be a disturbing force. Quite apart from the good or evil they work in their own countries, the international system is too sensitive, too closely integrated, to stand the shattering shocks of dictatorial methods. Dictators are too powerful, their tread is too heavy, their voices are too thunderous, their manners are too masterful, for this tremulous and aging planet we inhabit. The earth has no room for giants any more.

We are learning that even the virtues of dictators are too much for us. The internal order they enforce, for instance, only magnifies their capacity to provoke external disorder. Their decisiveness turns their every act into an ultimatum. Whatever they do, they do with an effect of violence. Whenever they move, they move suddenly and swiftly, in the manner of a supreme command springing surprises in war. The diplomacy they practise is not high hat, not shirt sleeve, not even the iron hand in the velvet glove. It is the diplomacy of the mailed fist, of naked force.

All this is a necessity of dictators. When one man speaks as a nation, he has to shout. Even when his decisions are long considered, they sound sudden because they are never publicly discussed and final because they are beyond question. The symbol of absolute power cannot for a moment relax from symbolizing. This is alarming enough when one dictator performs alone. When dictators move in concert, and in opposition, as the three great dictatorships are doing now, the collision shakes the whole international body.

The dictators, in short, teach us to chalk up one more advantage for democratic government. In the horse-and-buggy age they might have functioned without upsetting the universe. In the radio era they crowd up on one another. They fill the air with noise and threat and turmoil. The world has become too small for rulers with limitless and unquestioned powers. If only to curb and slow down the drive of nations to the speed limit where international traffic is possible, we need the creaking brakes of democracy.

How to Get a Job

By JOHN F. HURST
in Printers' Ink

More than 100,000 young men and women — this year's graduates of our colleges and universities—are confronting one of the most important problems of their lives. They are looking for jobs.

Not long ago, the manager of a large business was unexpectedly called upon by a young man whom the manager once knew as a child. The young man got down to business quickly, which was a good thing. He said, "I am looking for a job, and . . ."

"All right," was the reply. "You have a job right now. I'll give you the names of some concerns to call on. Tackle each one; and if none of them hires you, report to me and I will give you some more names. Just be sure that you earnestly work eight hours every day looking for a job. Keep it up day after day. Don't stop till somebody hires you. Don't work an hour or two—then quit. Don't loaf. Be on this job of getting a job early and late. Even when night comes, you can think and plan your programme for the next day. Just remember there are probably 20 concerns in this city that would give you a job. You must keep going and going until you find one of them. There is no other way to do it. Well, Eddie, what do you say?"

Eddie's face first registered surprise, then confusion, then understanding. "Okay, please hand me the list."

The elder man quickly pencilled six corporation names on a slip of paper. There was no letter of introduction to anybody—just the six corporation names.

The following afternoon Eddie was back. His adviser said, "Well, you've done pretty well to interview those six concerns in a half day. I'll have another list for you in just a moment."

Eddie was smiling. "Believe it or not," he said, "but I have already got a job. I only came back here to thank you."

Select a company that you would like to work for—not just any concern, but one that you believe is progressive and has a good reputation. Persistently and patiently approach this company. If you are right in your surmise that the company is progressive, you will be given an interview in due course. No real concern will turn away without an interview any man who in a proper manner offers his services. Only the small bore company bars the door.

Many people—and this isn't confined to college graduates—go through life looking for something for nothing. They think too much about what they are getting; not enough about what they are giving.

If the employer definitely fails to show proper appreciation, the employee has only one recourse—he should look for a job with another concern, one that recognizes merit and is willing to pay for it. Fortunately, there are many business institutions in this country that have a deep sense of obligation to every deserving employee.

Other People's Views . . . .

Good Wishes For Utopia

Regina Leader-Post

Alberta reports suggest that Mr. Aberhart is not going to pay dividends for some time. The difficulty appears to be that the Government has nothing to pay them with although one may assume that all the resources, technical skill of the people, ability to produce and ability to consume—the thing out of which the dividends were to be paid—are there today such as when the new Government came into office. The moneyed interests have not made off with them; in fact, Mr. Aberhart has been quite harsh with the moneyed interests. He is not even paying them that to which they think they are entitled.

As the Government of Alberta controls the province and the resources of the province, there seems no reason—if one accepts the Aberhart philosophy—why the Government should not be able to distribute among the people whatever is produced from these resources, thereby making life better for the people than they have had it under any previous government.

The Leader-Post hopes Mr. Aberhart will be able to pay a decent dividend to the people. That was the feature of his policy that interested the people of Saskatchewan as well as Alberta. It offered new hope and the thing seemed quite possible, in fact simple, as it was explained in Mr. Aberhart's Manual.

Without the dividend feature one fears that Mr. Aberhart's Government will be just another government. And we have plenty of them already.

Mr. Bennett Down Under . . .

Australian News Letter of the Empire Press Union

Mr. R. B. Bennett, ex-Premier of Canada, has met with a cordial welcome in Australian cities. Speaking at Canberra, the Federal Capital, he advised Australians to think nationally. "We have had to fight provincialism in Canada for the last 50 years," he said. "Every young country has to contend against it but true nationhood cannot be achieved if provincialism gains the upper hand.

"Young Australians have a wonderful country to live in, and to work for. They would be the envy of the world if the world only knew what a marvellous country Australia really is.

"Its fertility is astonishing. In Queensland I saw men on 40-acre farms making more money than people on 640 acres in Canada."

In Melbourne Mr. Bennett said that Australia had astonished him.

"I see no limit to the future of this great rich Commonwealth," he said. "I believe it will become the first great civilization of the future south of the Equator.

"You are equal to the task, but you must have vision—ideals beyond today."

In appealing for greater unity between Australia and Canada, Mr. Bennett remarked: "It is said that the trade balance between the two countries is one-sided, but when you eliminate motor cars, which Australia does not produce, and lumber, it will be found that the balance is not so great. Canada and Australia are bound together with common ties—common vigor and common ideals. These ties cannot be valued in dollars or pounds. They are based on something greater."

Stop Me If You've Heard This One . .

A rich peasant, desiring for the first time to buy a lottery ticket, demanded No. 42. With great difficulty it was obtained for him. He was certain it would win the grand prize, and it did. Asked why he was so sure, he said that he had dreamed one night of his grandmother and of his grandfather the next. He found the photograph of each on page seven of the family album. "Seven times seven is 42," he explained, "and that's why I wanted that number."

Post-Scripts

Titania Lives Here

A NECKLACE worn by a daughter of Ur of the Chaldees more than 4,000 years ago—a tiny Canadian beaver in gold—these are but two of the 4,000 separate pieces of furnishings and objects of art housed in Titania's palace now being shown across Canada through courtesy of Hudson's Bay Co. in the west and Robert Simpson Co. in the east. The entire trip in Canada is under the auspices of various community Rotary Clubs. Its Canadian tour started at Vancouver last August. It is now in the west and will arrive in Toronto at the end of December. During 1937 it will continue its tour through Quebec and the Maritime Provinces.

Designed by Sir Nevile Wilkinson, British soldier, artist and traveller, to enlist children's sympathies and those of their elders, in behalf of crippled children, the Palace has been viewed by more than a million people, and has already raised hundreds of thousands of dollars for small cripples.

Sir Nevile began work on the palace in 1907. It was completed in 1922, and Her Majesty, Queen Mary, presided at its official opening at Olympia that summer. Sir Edwin Lutyens patterned the Queen's Doll's House after Sir Nevile Wilkinson's fairy castle. But while the contents of most modern doll's houses are new and replaceable, those of Titania's Palace are for the most part priceless treasures garnered from the four corners of the earth. Many of the pieces of miniature furnishings were the original "travellers' samples," the tiny replicas by means of which orders were taken by the craftsmen and their representatives, hundreds of years ago.

Titania's Palace, when packed, weighs 3½ tons, is 15 feet long by 7 feet wide and is heated and lighted by electricity.

The smallest rosary in the world, made to scale from the famous peal in the campanile of St. Mark's, in Venice, is one of the marvels in miniature for which Titania's Palace is famous. The carillon has the world's tiniest pipe organ. Thirty pipes, whose lowest note is equal to the highest on the ordinary church organ, provide scope for the musician who plays it. It was heard by Her Majesty, Queen Mary, when the organist of Westminster Abbey, using sharpened matches to strike the tiny keys, played God Save the King! a beautiful picture of Murillo's "Assumption of the Virgin," a baptismal font made from the private seal of the Duke of Leinster . . . these are objects of especial interest in the chapel, one of the 16 rooms in Titania's Palace.

As Others See Us . . . .

"Business" and the Public

Calgary Albertan

From The Financial Post, Toronto, comes some sound advice for the conduct of business and especially "big" business. The Post's counsel has to do with the time and money spent in lobbying, contributing to party funds and in other ways securing the good will of politicians. But what about the public's good will? The Financial Post says:

"More important than all of these things is public good will and public understanding. What the public think is more important than what governments think for governments in the long run are responsive to public opinion."

Yet sound as The Financial Post's counsel is (and we hope those who have been less well advised will heed it) it would be a pity if its publication should create an impression in the mind of the man-in-the-street that business is somehow working to trick him. We all know of enough instances to prove that it is not so. In fact, in our experience the weight of evidence is rather in the other direction.

It is one of the drawbacks of publicity with flaring headlines, especially while those who write them have an eye constantly open for the sensational, that a reported misdemeanor in one business casts a shadow upon every concern engaged in it. In some lines of endeavor the public has not yet recovered the confidence that was shaken during the long sittings of the Stevens price spreads enquiry. A good deal of this confidence need not have been shaken at all had evidence of good will between business houses and the public been given at least the same 72 point emphasis as the occasionally appearing other side of the picture.

Such being the case it behooves business more than ever not only to command the public's good will but, what is more, to deserve it.

New Books

Anteroom of Fame

THE CANADIAN WHO'S WHO. Edited by Sir Charles G. D. Roberts and A. L. Tunnell. Published by Trans-Canada Press, Toronto. Price $15.

First published by the London Times in 1910, the Canadian Who's Who has been revived by Arthur L. Tunnell of Toronto.

There is an unfortunate situation in Canada regarding the use of the title Who's Who. This volume, known as Canadian Who's Who, is in competition with another volume known as Who's Who in Canada. As the issue is apparently now in the courts The Financial Post refrains from comment on the question of name and merely brings out the point for the benefit of confused readers.

The present volume, the Canadian Who's Who, is a most worthy effort and, as a national biography of living Canadians, a very successful one. There are some 6,500 sketches included, all of them very complete and giving many details that are not often included in similar volumes. If it is argued that there are not 6,500 Canadians who even border on fame it can also be said that it is better to err on the side of putting too many in than on the side of leaving too many out.

A serious effort has obviously been made to get in everyone holding any official or quasi-public position; including heads of important national associations, foundations, etc. Many businessmen have made the grade even where they have achieved little more than material success. Newspaper editors will no doubt be as delighted as astonished to find that the publishers have found their dignity and status sufficiently high to include them among the people the newspaper editors write about. Biographies of scores of ex-Canadians, now resident abroad, add to the value of the volume.

The most important feature of the volume is that no one has paid either for inclusion or exclusion. It remains to be seen if Canada is large enough to support a Who's Who volume on such a basis of independence, and distinct from newspaper or press services for which a fee is charged. Let us hope that it will prove a profitable venture. Only on a basis of independent selection by the editors can a volume, worthy to rank with the American and British volumes, be attained.

Mr. Tunnell is to be congratulated upon his courage in tackling the task and Sir Charles Roberts upon the excellence of the editing.

The price, $15, is not out of the way, for a volume of over 1,200 pages, offered for sale in the limited market Canada affords, and where the entire expense of editing and production must be met out of sales of the book itself.

Week in Business

Motor Makers Worry Over Labor Picture

Sales Prospects Good But Strike Clouds Hang Over Industry — Business Touches New High — What of 1937?

Readers who can momentarily take their attention from Christmas festivities to read this column may be interested in some news on Canada's biggest depression-busting industry—the making of motor cars.

Unlike most industries, motor car plants now do their year-end accounting around the end of October which means that already nearly two months of the 1937 season have rolled along.

In the field the news has been good, with November sales of passenger cars up 8.5% from last year. The high point was Saskatchewan which paid 54% more for cars than in the same month last year. Quebec sales were up 25% and in British Columbia the increase was 27%. The weak spots were the Maritimes and Alberta—both of which showed minus signs. Truck and bus sales were also very small for the month being 16.6% less than in Nov., 1935.

* * * *

Strike Troubles Loom

But back at the assembly line, the outlook is darkened by strike clouds that hang low and dark over Detroit and can be easily seen in Windsor. Basic difficulty is the mighty drive being made by the John L. Lewis Committee for Industrial Organization to line up the automotive industry into union ranks. In recent weeks his organizers have been hitting at the industry's most vulnerable spot—the thousands of parts and material plants which feed the giant assembly lines at Detroit and other points.

The first strike was at the Bendix Corp. plant; now it is centring at glass factories in Pittsburgh and a wheel-making plant in Detroit. Since cars cannot be sold without self-starters, windshields or wheels, production lines have already been held up awaiting supplies.

* * * *

First "Sit-down" Strike

Last week the trouble spread to Windsor, Ont., and Canada experienced its first "sit-down" strike. The sit-down strike appears to be a new tactic in labor warfare. It means in effect that the workers take possession of the plant and sit at their machines until evicted by being frozen or starved out. Late reports this week indicate some revival of activity at the Kelsey Wheel Co. plant at Windsor but no settlement reached as yet.

So far it is believed that Canadian production has not actually been affected by the strike or by similar strikes in Detroit.

* * * *

Industry at New High

Meanwhile industrial production in Canada as a whole marches forward at a truly remarkable rate. The very substantial climb in The Financial Post business index for November shows clearly the steep pace that has been set during the past seven or eight months.

Just whether this can be maintained through into 1937 remains to be seen. As was the case in the first quarter of 1936, it would not be surprising if some sort of a breathing spell were to occur—especially if threatened labor troubles curtail automobile production.

On the other hand the considerable volume of new building and construction that is already projected for the year; the substantial orders for new railroad equipment which will shortly be announced—are factors which augur well for the new year.

Favorable

Carloadings—A 30% gain in movement of merchandise for the week ending Dec. 12 plus a 20% increase in coal loadings was chiefly responsible, a further sharp gain.

Pig Iron Production in November rose to the highest point since March, 1930. November was the fourth month in succession to show an advance over the next preceding month. Demand for iron and steel came chiefly from mining and automobile firms.

Automobile Sales were 8.5% higher for passenger cars but 16.6% lower for trucks and buses.

* * * *

Unfavorable

Building Permits in November dropped 26.5% from previous month and 12% from same month last year.

For other figures see The Financial Post business index summary on this page.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA Latest 1936	1935	Cumulative Total Jan. 1 to date 1936	1935
Transportation—				
Car loadings (Dec. 12)	▲49,710	42,931	2,393,969	2,279,497
C.N.R. gross earn. (Dec. 14)	$ ▲3,738,886	$ 3,402,253	$ 176,948,189	$ 165,053,704
C.P.R. gross earn. (Dec. 14)	$ ▲2,732,000	$ 2,683,000	$ 131,845,000	$ 121,568,000
Business Conditions—				
Weekly index D.B.S. (Dec. 12)	▲112.8	99.2	......	......
MONTHLY DATA				
Business Conditions	1936	1935	1936	1935
Financial Post index (Nov.)	▲119.1	106.7	......	......
Transportation—				
C.P.R. net revenue (Oct.)	$ 4,403,183	$ 4,249,343	$ 16,230,651	$ 15,636,101
C.N.R. net revenue (Oct.)	$ 3,638,519	$ 3,628,065	$ 9,843,980	$ 9,762,625
Iron and Steel (November)—				
Pig iron production (tons)	▲74,337	64,562	610,173	529,147
Steel ingots and castings prod. (tons)	▲98,534	94,074	1,010,598	836,794
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Nov.)	▲5,373	5,201	84,620	77,998
Factory output (Oct.)	4,592	7,128	104,680	116,332
Trucks and Buses:				
Domestic sales* (Nov.)	▲618	814	19,417	17,377
Factory output (Oct.)	769	1,185	26,419	29,390
Exports (Oct.)	2,922	3,931	46,699	53,415
Construction—				
Building permits (Nov.)	$ ▲3,030,425	$ 3,447,653	$ 36,584,168	$ 44,158,767
Contracts awarded (Nov.)	$ 13,840,400	$ 8,290,800	$ 156,469,200	$ 155,940,100
Newsprint (tons)—				
Production (Nov.)	▲285,771	262,854	2,890,602	2,507,983
Exports, tons (Nov.)	▲295,832	244,037	2,706,850	2,297,244
Sugar (lb.)—				
Melting & sales§ (raw)	▲98,015,822	97,102,444	881,511,909	813,173,926
Manufactured§	▲157,483,110	137,439,534	959,927,834	891,945,739
Flour (bbls.)—				
Production (Oct.)	1,701,267	1,824,754	12,408,090	11,647,780
Wheat flour exports (Nov.)	408,653	525,368	4,374,789	4,437,189
Trade—				
Retail trade (index no. of sales) (October)	76.8	73.0	......	......
Imports (November)	$ ▲66,169,416	$ 55,958,033	$ 582,194,350	$ 511,745,369
Exports (November)	$ ▲122,866,120	$ 95,685,286	$ 928,495,289	$ 759,096,557
Wheat exports (bush.) (Nov.)	33,308,840	26,575,296	222,603,614	148,628,829
Employment, D.B.S. Index (Nov. 1)—				
All industries	111.0	107.7	......	......
Manufacturing	107.7	103.5	......	......
Electric Power Output (Oct.)—				
Total monthly m.k.h. (000's omitted)	2,378,399	2,162,569	20,901,116	19,104,573
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (November)	▲173,447	121,444	1,496,293	1,228,208
Boot & shoe prod., pr. (Oct.)	1,927,901	1,911,713	18,746,259	18,440,551
Crude petrol, imp. gal. (Nov.)	▲146,192,036	137,399,424	1,184,094,133	1,119,154,496
Cotton imports, lb. (Nov.)	▲21,105,485	13,814,244	129,444,442	107,433,529
Raw rubber imp., lb., (Nov.)	▲9,649,176	9,832,033	60,148,707	54,443,440
Coal imports, tons (Oct.)	1,628,259	1,314,128	11,039,650	10,845,382
Finance—				
Bank debits (Oct.)	$ 3,328,226	$ 2,907,516	$ 29,221,453	$ 25,592,252
Bond sales (Nov.)	$ ▲48,870,271	$ 147,733,500	$1,184,495,796	$ 865,215,890
Life insurance sales (Nov.)	$ 37,813,000	$ 35,158,000	$ 340,215,000	$ 332,836,000
Automobile Financing (Oct.)—				
Used cars	$ 1,703,273	$ 1,266,777	$ 21,865,029	$ 15,938,992
New cars	$ 1,519,272	$ 1,096,937	$ 26,064,055	$ 19,882,187

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to November 30.

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25

November Shows Gain in Business

The Financial Post Index Moves Sharply Forward to New Peak

The Financial Post index of business volume in Canada has moved from 116.5 in October to 119.1 in November. The gain over Nov., 1935, is 11.6%.

In the mining group, exports of nickel, asbestos and bauxite imports recorded gains, but the majority of mineral production factors showed recession from the high point of October. The index of nickel exports moved up from 192.3 to 220.1, a new high point for any November in the post-war period. Asbestos exports and bauxite imports were also greater than any other November in the last 17 years.

Despite considerable increase in the manufacture of sugar and heavy exports of cheese and canned salmon, the foodstuffs index receded from 116.8 to 115.3.

The primary iron and steel industry was more active in November. The production of steel ingots moved up from 98,330 tons to 98,534 tons. Pig iron production was considerably heavier at 74,337 tons.

The output of automobiles was 10,812 units in November against 5,361 in October. A marked gain was shown in the imports of petroleum after seasonal adjustment. Crude rubber imports were 9,600,000 lb. against 6,970,000 in October.

The carloadings index receded from 74.5 to 68.7. The index of imports increased 4.3% to 104.3%. The value of exports was greater than in any other November since 1928, the total having been $122,866,000.

B.C. Surveys Trade Results

British Columbia has again tried to strike an economic balance sheet for itself. The job has been done by Dr. W. A. Carrothers, chairman of the Economic Council of B. C.

Thus for 1934, it is estimated the total trade of the province was $168.9 millions of which $83.5 millions was in exported products and $85.5 millions in imports.

The province's most "unfavorable" trade balance was with Eastern Canada which it is estimated bought the goods of B. C. to a tune of $10.9 millions, but sold that province over $50 millions of merchandise, etc. Trade with Prairie Provinces almost balanced with about $9.5 millions each way.

1936 Business Volume May Exceed 1930 Level

	November, 1936	November, 1935	October, 1936	Inc. or Dec. November, 1936-1935
Financial Post business index	119.1	106.7	116.5	+11.6
Wholesale prices	77.2	72.7	77.1	+6.2
Common stock prices	131.8	105.8	126.9	+24.6
Shares traded, Montreal, No.	1,502,222	809,693	1,272,223	+85.5
Inverted index of Dominion bond yields	153.6	134.2	151.1	+14.5
Bank deposits (preceding month)	114.0	109.7	113.9	+3.9
Mineral production:				
Copper exports ... cwt.	374,877	267,884	429,069	+39.9
Nickel exports ... cwt.	149,492	148,571	131,047	+0.6
Zinc exports ... cwt.	194,424	242,360	325,070	—19.8
Gold shipments ... fine oz.	333,899	274,906	352,676	+21.5
Silver shipments ... fine oz.	989,498	2,119,767	1,619,267	—53.3
Manufacturing production:				
Sugar manufactured ... lb.	141,335,351	129,825,202	101,692,741	+8.9
Cattle slaughterings ... No.	142,167	122,457	162,735	+16.1
Hog slaughterings ... No.	410,449	256,361	391,890	+60.1
Raw cotton imports ... lb.	21,105,486	13,814,244	16,542,791	+52.8
Cotton yarn imports ... lb.	411,810	429,318	375,675	—4.1
Newsprint production ... tons	285,771	262,854	301,106	+8.7
Steel ingot production ... tons	98,534	94,074	98,330	+4.7
Pig iron production ... tons	74,337	64,562	70,051	+15.1
Automobile production ... No.	10,812	13,496	5,361	—19.9
Petroleum imports ... gal.	146,192,066	137,399,424	158,755,174	+6.4
Crude rubber imports ... lb.	9,649,176	9,832,033	6,965,578	—1.9
Export of plank and boards, ft. ...	173,447,000	121,444,000	185,338,000	+42.8
Shingles exported ... squares	244,914	252,451	257,739	—3.0
Construction: Contracts awarded ... $	13,840,400	8,290,800	14,957,200	+66.9
Building permits ... $	3,030,425	3,447,653	4,120,416	—12.1
Railways: Carloadings ... No.	219,914	214,093	263,478	+2.7
External trade: Imports ... $	66,169,416	55,958,033	65,186,563	+18.2
Exports ... $	122,866,120	95,685,286	113,002,780	+28.4

A volume of business slightly greater than 1930 is indicated for 1936 by The Financial Post index of physical volume for the first 11 months of the year. The trend was sharply downward in 1930 and sharply rising in 1936.

Most of the factors used in the compilation of The Post index recorded increases in the first 11 months of 1936 over the preceding year. It is estimated that mineral production was worth more than $370 millions in the year just ending, compared with $312 millions in 1935.

The copper and nickel industry was active, the gain in the exports of copper over the high level of 1935 having been about 2%. Exports of nickel in 1936 were 158 million lb., a gain of 19%. The gain in lead production in the first nine months was 13% and zinc exports at 301 million lb. in the first 11 months recorded a gain of 12½%.

Asbestos exports of better grades showed a gain of 41.6% and the imports of bauxite for the manufacture of aluminum were up 31% at nearly 317 million lb. Gold mining production, according to latest returns, will show a gain of about 15%. Silver, which is now mined mainly as a by-product, showed a gain of 9.6% in the same comparison.

Manufacturing production based on 29 factors recorded a gain of 10½% over the available months of 1935. This gain was substantiated by a considerable increase in manufacturing employment, the index in the first 11 months moving up from 96.7 to 103.1.

Flour and sugar production recorded a gain of about 6½%. Raw cotton imports indicating preparations of the textile industry for further manufacture recorded gain of no less than 31½%.

A feature of the recovery of 1936 was the acceleration in capital goods industries as evidenced by the gain of 20.8% in steel ingot production and an increase of 15.3% in pig iron output.

While the automobile industry was less productive due to the change in introducing new models, petroleum imports recorded a gain of 7½% and crude rubber imports showing conditions in the tire industry moved up 9.7%.

Construction provided a conflicting picture. A slight gain was shown in the amount of contracts awarded during the first 11 months while a decline of 17% was shown in building permits.

Electric Power

Electric power production reached a new peak in 1936 recording a gain of 9½% over the preceding year. The greatest percentage gain was shown in Ontario where an increase of nearly 19% was recorded. A gain in the Prairie Provinces was 17% and British Columbia showed a gain of 12%.

The recovery in railway operations was less than in most other lines, carloadings in the first 49 weeks of the year showing a gain of only 4.8%. Sharp increases in grain, livestock, lumber, and ore were partially offset by declines in the movement of pulpwood and other forest products. The gain in the gross operating revenues of all railways during the first 10 months was 7½%.

One of the main generators of business in Canada was the expansion in the demand of external markets. Exports from Canada in the first 11 months showed a gain of 22.3% over the same period of last year, while the active balance of trade including exports of non-monetary gold showed a gain of 40%.

Incidentally it appears that non-monetary gold is being held in Canada in recent months as the exports of non-ferrous metals have shown a decline for the first 10 months. All other main groups both in imports and exports have shown gains in this comparison.

Background of Business

Rentals Still Advance; Ontario Rise Largest

Saskatchewan Communities Also Gain — Higher Prices for Chesterfields — Tax News

A general advance in rentals during the six months ended Oct., 1936, is shown in the special survey made recently by the Bureau of Statistics at Ottawa. In the six months interval, middle grade dwellings showed an average advance of 1.2% distributed as follows: Houses, 1.2%; duplexes .8%, flats 1.7%, apartments 1.6%. In the same period rentals paid for dwellings occupied by working men averaged 1.4% higher.

As usual, rentals in the Maritimes and Quebec showed less movement than elsewhere in Canada. The advance in Ontario was definitely more pronounced than in other provinces, increases ranging from .1% at Brockville and Sarnia to 4.9% for St. Catharines. Four centres reported rentals unchanged while two showed decreases.

In Saskatchewan the tendency was decidedly upward and to a less marked degree the same was true of Alberta and British Columbia. Manitoba showed little net gain with realtors reporting an equal number of increases and declines.

* * *

Higher-priced Sofas

The possibility of increased prices for upholstered furniture were indicated at a meeting of the Upholstered Furniture Manufacturers Association at Toronto last week. Rising costs of material used in manufacture, especially mohair were blamed.

The industry, it is stated, has enjoyed a rapid increase in business during 1936 which has accentuated a previous shortage of material.

* * *

Seeks Russian Trade

Stanislas Fourvillo, assistant manager of the Soviet Trade Board in Moscow was a recent visitor in Ottawa. The Russian Commissar is in Canada to survey the field and visit industries supplying things which Russia needs.

* * *

Wage Tax Upheld

Last week the judicial committee of the Privy Council dismissed the appeal against the assessment of Manitoba's special 2% income tax.

The appeal, which came from the Supreme Court of Canada, was to test the competence of the special wage tax imposed by the Manitoba Provincial Legislature under its special income tax act.

* * *

Montreal Tax Challenged

Imperial Tobacco Co. has challenged the validity of Montreal's sales tax. The challenge came to a head last week when the first test case of its kind (to fight a claim by the city for $3,518) came before the Superior Court in that city.

The city claims the amount as due on $176,000 worth of merchandise bought by the company to distribute as premiums to purchasers of its tobacco products. Hearing of the case was postponed until the February term of the court.

The argument of the city, says the Montreal Gazette, is that the merchandise was bought by the company, not for resale, but for distribution gratuitously and, therefore, is subject to the usual 2% impost. The company on the other hand says the merchandise was purchased for the purpose of reselling in its original form and that in any event the sales tax is an indirect tax and, therefore, ultra vires.

Meanwhile commentators are busy trying to figure out what last week's civic election in Montreal will mean as far as the sales tax is concerned. Defeat of ex-Mayor Camillien Houde who put on the tax might be construed as meaning abolition of the impost. However, there seems to be no definite assurance as yet nor is there any satisfactory alternative suggestion available at the moment.

* * *

Windsor Gets Busier

Reports from 152 companies in the Windsor area show 17,838 persons employed as at Nov., 1936, an increase of 1,285 over the same period at this time last year, according to the Windsor Chamber of Commerce.

Of this total 11,871 were in the automotive industry and the remainder non-automotive. Most groups show an increase over the same month last year although automotive employment is slightly lower than in October. Figures include 42 automotive concerns.

Other basic figures follow:

	Nov. '36	Nov. '35
Long distance calls	18,310	15,261
Local telephone calls	49,210	45,936
Pass. carried by S. W. & A. R. R.	702,971	719,965
Customs receipts	$1,344,858	$1,063,417
Building permits	61,122	18,015
Bank clearings	12,139,654	10,188,930
Bank debits*	31,574,608	28,960,309
New pass. car sales	173	254
New truck sales	16	39

* * *

New Sales Tax Rulings

Important new regulations to correct in some measure the difficult excise impost with which the toilet goods industry is burdened were discussed at a recent meeting of Canadian perfumers and manufacturers of toilet articles says Drug Merchandising.

Outlining the new regulations, V. C. Nauman, assistant commissioner of excise, pointed out that hitherto the department had followed a standardized method of calculation for all toilet good firms, which, however, being calculated on wholesale price, had discriminated against those manufacturers which sold direct to the trade or followed some other form of distribution which did not include the wholesaler. The new regulations were intended to do away as much as possible with this.

* * *

Mail Closes Too Early

Protests have been received from leading business firms throughout Canada against the practice of Dominion postal authorities in sending out notices to the public of "latest mailing dates" says Bookseller and Stationer.

It is pointed out that these dates are misleading in that articles mailed several days later reach their destinations in plenty of time for Christmas.

Generally the practice is looked on as a desirable one but the objection is to the fact that dates announced are placed so far ahead of Christmas. This practice, it is claimed, does not only cast doubt on the accuracy of other official announcements of this sort but, it is claimed, tends to be something of a dampener on business.

Printers Seek Merger Ruling

Continuance of The Mail Printing Co. Basis of Union Protest

The transaction closed in Toronto last month which led to the union of the Mail and Empire and the Toronto Globe has given rise to an important issue in labor circles.

The issue hinges on the question of whether The Globe purchased The Mail and Empire or whether the deal between C. George McCullagh, president of The Globe Printing Company, and I. W. Killam, then president of The Mail Printing Company, resulted in a merger of the two newspapers.

First Looked On As Sale

On early advice from Toronto the Indianapolis headquarters of the International Typographical Union has declared the transaction a sale. This means under union rules that the printing staff of The Globe remains intact and only such Mail and Empire printers as are necessary have been taken on.

It is likely, however, that an early appeal by The Mail and Empire chapel will reopen the question and may lead to a reversal of the decision. In this case the union rules call for a reshuffling of the staffs on the basis of priority. This, in effect, would mean dismissal of all employees and rehiring of the senior men.

The Mail and Empire chapel case is based very largely on the fact that The Mail Printing Company, which published The Mail and Empire, is still in existence.

Under the agreement, The Mail Publishing Company of Montreal (I. W. Killam) sold to The Globe Printing Company $221,000 par value of shares of The Mail Printing Company and agreed to lease the old Mail and Empire building (owned by the Mail Publishing Company) to The Mail Printing Company. Of the directors of The Mail Printing Company one man, John Scott, former managing director of The Mail and Empire, is still on the board. C. George McCullagh, publisher of The Globe and Mail, is president; J. M. McIntosh is secretary, while the two other members are H. G. Kimber and H. M. Weir.

Dec. 18 marked the expiration of Mr. McCullagh's arrangement to keep the payroll of The Mail and Empire intact, and resulted in a lay-off of 46 Mail printers. A few others have been kept on, though in event of any further mechanical staff cuts these men would be out.

If the typographical union finds on appeal that The Mail Printing Company and The Globe Printing Company with their interlocking directorates have merged the two Toronto newspapers, it is estimated that, of the men laid off from both papers, 26 would be printers who had worked only a few months. If the transaction is confirmed as a sale, 16 Globe men hired after Mr. McCullagh bought the paper from W. G. Jaffray on Oct. 15, will have taken priority over men with 9 and 10 years service on The Mail and Empire.

Forest Basket Co. has completed construction of a new frame dry kiln, part of additional storage capacity at its Sarnia, Ont., plant.

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In The Construction World

FOLLOWING a sharp pick-up in all phases of construction in the United States, building costs in that country have been mounting smartly. A sudden jump of 4% in November alone sent the average price of a group of representative list of materials to the highest point reached in over 10 years. In Canada there has also been an unmistakable trend toward higher prices, but so far the gain has been on a much more moderate scale than has been the case in the United States. On the other hand, however, the increase in construction here, while noticeable, has not been nearly as pronounced as across the line.

Undoubtedly if the present trend of building material costs in Canada is any criterion, then much higher prices will be encountered if the present recovery in construction is continued. In so far as the main activities of the industry are concerned, this may not prove an unmixed evil if the average consumer of houses, factories and business buildings adopts the usual practice of other types of purchasers who show little interest in a falling or stationary market, but a great deal when values show a tendency to go higher.

* * *

Higher Costs Hit Low-price Housing

HIGHER building costs, however, will be bad news for those impractical and benevolently minded social planners who were hoping that housing costs would decline to a point where new and sanitary buildings would economically replace slum dwellings which fringe the business and industrial centres of the larger Canadian cities. In this way, and provided that wages could miraculously hold their own against falling building costs, the problem would solve itself.

The Dominion Bureau of Statistics index, well over 85 for building materials costs in 1936, however, compared with 81.2 in 1935 and 77.2 in 1932, indicates very definitely that the bargain season for slum clearances has passed. Housing costs, in fact, in the larger cities did not come down within the range of the more moderate incomes, let alone to a point where the man without a regular income could consider building.

* * *

Room for Inventors In Construction Field

UNLESS a philanthropic government presents him with a substantial subsidy, lower paid Canadians are going to have to look to the scientist and inventor for the provision of their future houses. And while nothing is definitely in sight at the moment, recent history in other industries and present but still vague indications in the building field, would lead one to believe that the search for revolutionary low values may not prove futile.

Prefabricated houses so far have shown no outstanding improvement over the existing types, at least not sufficient for them to have gained any considerable headway in recent years. It is possible that this may not be the direction toward revolutionary lower values. Possibly some new material, as yet merely in the scientists' laboratory, is needed. But so long as the present huge potential demand for houses continues, then there will remain an incentive to inventor and scientists, an incentive that must eventually lead to discovery.

Guelph Stove Co. is constructing a $20,000 addition to its plant at Guelph, Ont.

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Home Loans Extended To Commercial Lines

Plan Being Broadened — Tourist Camps Now Eligible as Borrowers — Apartments, Hotels May Be Next

From Our Own Correspondent

OTTAWA.—Though legislation approving the Home Improvement Plan loans sponsored and being pushed by the National Employment Commission cannot be passed until Parliament meets in January, already many revisions have been made.

Originally the plan envisaged only improvements to residential property and more particularly individually owned and occupied homes. Recently, it has been extended into property of a definitely commercial character.

Some little concern is noted in official circles over the fact that operations to date are, strictly speaking, irregular. Money is being lent at the rate of about $200,000 per week and this though the necessary legislation still awaits parliamentary sanction.

Many Revisions

When the scheme first became operative on Nov. 1, it only applied to home owners. Within a few days it was extended to include homes with stores attached and also small apartments, such as two and three family dwellings. The inclusion of stores, however, was only regarded as incidental, the improvements in mind being those which would naturally tie up with the attached homes.

Branch bankers, particularly in the smaller towns and villages, soon discovered that there was fairly good demand from farmers for loans to cover improvements. Barns and stables were included in the plan, though farmers, or at least not many of them, do not live in their stables. The latter are in reality farm factories.

To the farmer, too, has gone a further concession. Second houses or cottages to be built on the place are now eligible. Such buildings are to be considered as improvements to the original home.

Tourist Cabins

Very recently tourist cabins have been added to the list. Here again the extension is made into a purely commercial field. Though the revision has not been completely clarified yet, it is assumed that where one has a farm or other piece of property on which one house is located, money can be borrowed under the Home Improvement Plan to erect tourist or overnight cabins.

Now a tourist cabin is the next thing to a hotel, and it is believed that this is simply a step toward including that type of commercial property. In fact it seems possible that quite a good case could be made out in some instances already. Where the owner of the hotel makes his home in part of the building then the securing of a loan is conceivable. It is considered as very probable that both hotels and stores may soon be brought regularly under the plan. It is pointed out, however, that the present $2,000 limit on the loans would not permit much scope on properties of any size.

Big Field Opened

If hotels are included and the limit raised, however, then there would be a big field open to construction and equipment companies. Many of these buildings would be vastly improved with a completely new system of plumbing, wiring, heating, etc.

The same would apply to apartment houses of any size. Here again the chances of getting such buildings included are considered fairly good. To get round the $2,000 limit, it is suggested also that the scheme might be altered so that this limit would apply to each family unit. A 10-suite apartment would then be eligible to secure 10 loans up to the present limit or possibly to a new and lower family unit limit for apartments only.

Scheme Catching On

Though the slowness of a few branch banks' reports make the compiling of exact recent figures impossible, it is believed that the new loan plan is gathering momentum. Maximum activity, of course, is not expected until the arrival of spring.

In the first two weeks of the policy, Nov. 1 to Nov. 15, some 885 loans were made involving a total of $330,500. Since Nov. 15, it is reported that there has been a considerable improvement, with many branches reporting increases of 50 to 100% in the number of loans weekly.

So far, The Post understands, there is no very definite indication of cooperation from the municipalities in regard to assessment. When the loan scheme was first announced, A. B. Purvis, chairman of the National Employment Commission, stated that municipalities would be asked to guarantee no increase in assessment on home improvements carried out. The Ontario Government almost immediately promised the necessary enabling legislation. Some other provinces and a few municipalities intimated that if legally possible they would exempt improvements from increased assessment for a certain definite period.

On the other hand, from discussion reported from some municipal councils, the request of Mr. Purvis has not been so favorably received. In Hamilton it was stated that the exemption sought would amount to discrimination against the home owner who had financed any improvements himself and had received no exemption. At Ottawa, however, it is believed that the banks may close down on loans to any municipalities which refuse to co-operate.

Building Costs Jump in U.S. Moderate Rise in Canada

Building costs are rising in United States. Representative indexes for November, up 4% for October, stood at the highest point since May, 1924. Chiefly responsible for the recent rises in cost are lumber, which in three months has increased from $57 per thousand feet to $65 and labor, the average rate of which has jumped from 56.9 cents per hour to 58.6. December 1 increases in steel are expected to still further boost the average cost of construction.

Costs are also rising in Canada but not to the same extent. Compared with an index of 100 in 1926 here is the trend in recent months and by years since 1931:

Canadian Building Costs

Season, 1936		By Years	
May	84.9	1931	81.9
June	84.8	1932	77.2
July	85.4	1933	78.3
Aug.	85.7	1934	82.5
Sept.	86.0	1935	81.2
Oct.	86.6	*1936	85.7
Nov.	86.8	*Estimated.	

Officials Scotch Big Lumber Story

N. B. Exporters See Price Damage Following Exaggeration

From Our Own Correspondent

SAINT JOHN, N.B.—Press reports that said New Brunswick's long lumber cut this winter would amount to 600 million feet are the subject of an official rebuke by Hon. F. W. Pirie, provincial minister of lands and mines. The Financial Post said these reports grossly exaggerated the extent of the woods activity.

Sonoco Products Co., manufacturers of paper cones, paper specialties, spools, etc., for the textile industry is establishing a new branch to manufacture paper mill cores for newsprint and other types of paper in Brantford, Ont.

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Eastern Car Awarded Another Dosco Contract

From Our Own Correspondent

MONTREAL.—Eastern Car Co., subsidiary of Nova Scotia Steel and Coal Co., has been awarded a contract by Dominion Steel and Coal Corp. for 100 cars of the hopper type.

The order is an addition to one of 265 cars placed in August by Dosco and now near completion. It will mean an additional five or six weeks work for employees of the Trenton plant.

As in the case of the first order, financing of the second until May 2, 1937, was arranged by the liquidator of Nova Scotia Steel and Coal Co. and directors of the company.

Canadian Bronze Co. Declares Extra on Common

From Our Own Correspondent

MONTREAL. — Canadian Bronze Co. has declared an extra of 75 cents a share on its common stock, in addition to the regular quarterly payment of 25 cents, both dividends payable Feb. 1 to shareholders of record Jan. 20.

The company's common stock was placed on an annual dividend basis of $1 a share with the declaration of a 25-cent dividend on March 23 last. From 1933 to 1935 the stock paid 60 cents annually, and an extra dividend of 50 cents a share was paid last year.

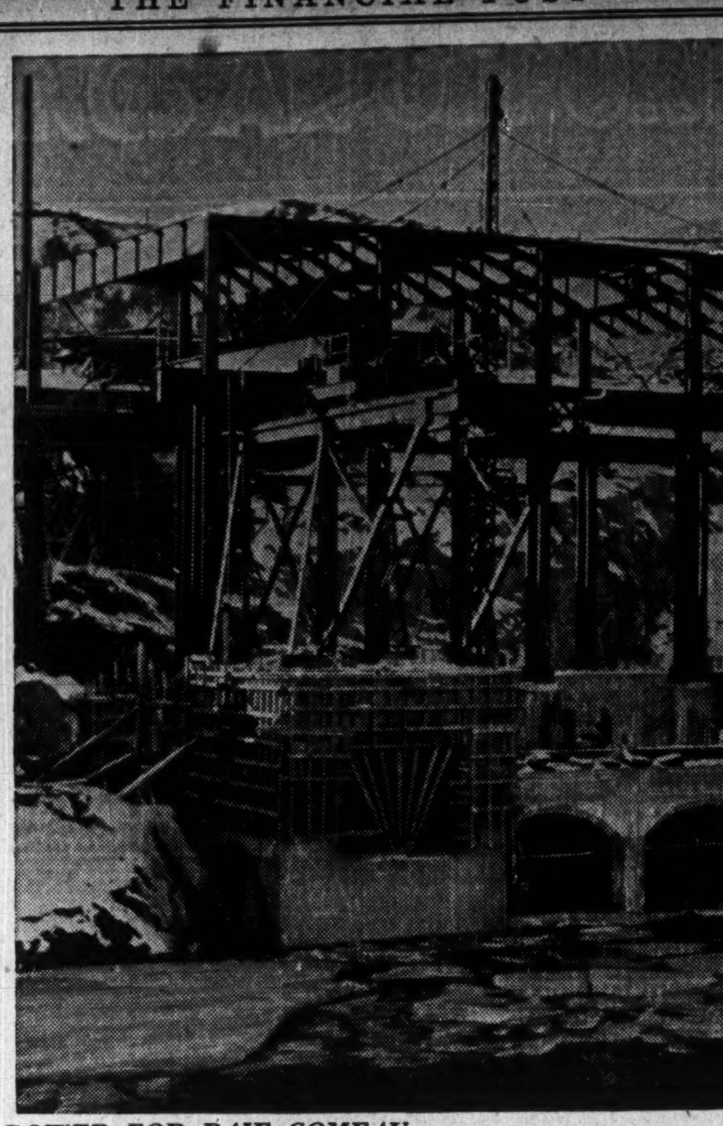
Wellington Building Corp. To Pay Overdue Interest

Bond interest which became due Jan. 5, 1933, on the 6½% $425,000 first mortgage bonds of the Wellington Building Corp. was paid on and after Dec. 15, according to the London and Western Trust Co. Interest on the interest due to Dec. 5, 1936, will also be paid.

Factory Building in U. S. Running at 1930 Level

November marked the highest volume of factory construction in United States for any month since May, 1930. So far December contracts, it is believed, are running equally strong.

Norris Bros. of Eston, Sask., will shortly commence production of cereal products in the former W. T. Richardson factory at Birch Hills, Sask.



POWER FOR BAIE COMEAU

This hydro-electric plant now nearing completion on the Outardes River will supply electric power to the $6 millions Ontario Paper Company's plant being built at Baie Comeau. The general contract for both projects is held by the Foundation Company of Canada. Comeau Bay is on the north shore of the St. Lawrence about 200 miles below Quebec City.

Subsidized Housing Gets Little Support

No Encouragement and No Programme in Evidence at Ottawa

From Our Own Correspondent

OTTAWA.—There seems little possibility of an early start in low cost housing and slum clearance work in so far as the federal authorities are concerned. The Financial Post learns from a day's interviewing around Parliament Hill. The whole problem boils down to one of arranging the money for a scheme which is going to entail certain loss and for which no generally approved programme has been offered.

No General Plan

In one quarter it was pointed out that even the principal municipalities to benefit from any plan of slum clearance and low cost housing have not been able to agree on a plan.

"Toronto," stated one official, "has been discussing the matter for years. It has been wrangling about it in fact. If the city authorities cannot agree themselves on what is wanted, then how do they expect us to get anywhere."

Lack of Money

In another interview, it was explained that the financing offered almost prohibitive difficulties. Many of the municipalities concerned are bankrupt or nearly so and the raising of further money seems out of the question. Provincial authorities are not looking for new spending outlets.

While readily endorsing the Dominion Housing Act and sponsoring the home improvement loans, the Dominion Government has hesitated to launch a plan that entails subsidizing.

The other two projects are expected to be self-supporting or practically so. Loans are only made to persons of a good credit standing and who are on a regular earning basis. The two schemes mentioned are only intended to give these people new homes or improvements which they can pay for over a period of years.

But in the low priced housing project, the plan would be to provide housing for a class of people who cannot hope to pay the full cost. Even in the best of times, it is claimed, there is such a class in all countries. In average times the head of the family earns about $60 per month, out of which he cannot set aside more than $12 for rent. Now in most big cities, it is said, decent shelter cannot be provided at such a figure, particularly if the family is of normal size.

Cost Too High

Using even the most moderate class of building materials and equipment but providing sanitary surroundings, about the cheapest rent would be $15 to $18 per month, it is estimated by housing authorities. This means that the provision of shelter for the lowest income class is not going to be an economic proposition nor can it be, it is said, unless an entirely new type of construction is evolved. Some sort of mass production, such as that which brought the automobile from the millionaires' class to within that of the average man, is what is wanted. So far, however, Ottawa officials have failed to see any indications along this line.

Enterprise Foundry Co. Reports Gain in Sales

From Our Own Correspondent

MONTREAL.—Enterprise Foundry Co., of Sackville, N.B., manufacturers of stoves and furnaces, shipped 76% more stoves in the first six months of this year than in the same period of 1929. Exports to South Africa and other overseas countries account for a fairly large proportion of the total volume.

Dempsey-Cadillac Gold Mines has commenced construction of mine buildings at its property in Cadillac and Malartic Township, according to the Daily Commercial News and Building Record. Construction is being undertaken in connection with more advanced development work at the property.

U. S. Steel Mills Turn Down Orders

For the first time in years United States steel mills have been so busy that orders have had to be rejected. Particularly does this apply, it is stated naively, to those which sought placing at prices in effect before the recent boost.

November daily average production, it is stated, set a new all-time record for the month and came close to the best monthly record of all times which was May, 1929.

Deadlock Bars Furniture Code

Ontario Progress Slow — Quebec Schedule Starts in January

After several joint meetings under the auspices of the Industrial Codes Act, Ontario employers and employees appear deadlocked on possibilities of a new code for the furniture industry.

Meeting at Toronto on Friday, Dec. 11, under the chairmanship of Louis Fine, representations were made by employees on the one hand, and employers on the other with a view to reviving a code originally formulated in 1935 to govern wage and labor conditions in that industry.

At this meeting, representatives of employees urged a uniform wage classification outside Toronto of 20 cents an hour for boys, 35 cents for unskilled labor, 48 cents for semiskilled and 50 cents for skilled workers. For Toronto district, it was urged that a rate higher by five cents in each classification be maintained with special rates for custom work.

Subsequent meetings of a special committee of employers and employees has failed to make much progress toward a solution. Also subsequent discussions with Hon. David A. Croll, Minister of Labor, provided nothing more than "verbal assurance" that any subsequent code would be enforced more effectively.

Meanwhile, announcement has come from Quebec of a new furniture industry code to go into effect early in January and paying considerably lower wages than those sought in Ontario. The new rate set forth for Quebec contains the same minimum rate as heretofore in the three zones and contains also provision that a certain proportion of the employees shall be graded at a higher rate than this minimum.

Thus in Zone I (which means Montreal, principally) workmen over the age of 21 years will be paid on the following basis:

Twenty per cent at the rate of 31 cents per hour; 10% at the rate of 28 cents per hour; 70% at the rate of 25% per hour.

In Zone No. II, which means such places as Sherbrooke, Three Rivers, Hull, etc., the rates will be 28, 25 and 22 cents per hour, respectively, for the same percentages, and in the small places, Zone III, the rate will be 26 cents, 23 cents and 20 cents per hour.

Sydney Steel Mills Work Near Capacity

SYDNEY.—Operations at the Sydney steel mills of Dosco reached the gratifying level of 93% capacity during the present year, according to an announcement made here at Dosco headquarters.

It will go down as the best year experienced since 1929.

Although no official statement has yet been made it is understood that 1937 prospects appear encouraging.

Zephyr Looms & Textiles, which recently acquired the plant of the former Canadian Textile and Weaving Co., Guelph, Ont., is reported to be planning establishment of an allied industry in Guelph.

New Building

Prairie Bag Co. will commence operations early in the new year at Moose Jaw, Sask. The company will operate a bag manufacturing business, burlap being imported from India for the purpose.

* * *

Canadian Industries is erecting a large pump house at its Windsor, Ont., plant to cost in the neighborhood of $80,000. The building itself will cost about $15,000.

* * *

Rohm & Hawes Co. of Canada, Ltd., Canadian subsidiary of the Rohm & Hawes Co. of Philadelphia, have leased manufacturing space in Toronto to produce "bace," a product used in the tanning industry.

* * *

Provident Trust and Building Corp. Ltd., is contemplating erection of a ten-story office building at Saint John, N.B. Decision regarding construction will depend on whether a sufficiently large number of prospective tenants and investors can be interested in the project, according to the Daily Commercial News and Building Record.

* * *

Postum Canadian Co. Ltd., makers of cereal products, have commenced construction of a $16,000 warehouse in connection with the company's Windsor, Ont., plant.

* * *

Toronto Elevators Ltd. is planning future construction of three feed plants and grain elevators in Toronto, Sarnia, Ont., and Three Rivers, Que.

* * *

A. B. Ormsby Co. Ltd. is making additions and alterations to its plant in Toronto. Estimated cost is $12,000, according to the Daily Commercial News and Building Record.

* * *

Lightning Fastener Co. is seeking fixed assessment of $10,000 for a 10-year period to cover existing buildings, and additions planned for the company's plant at St. Catharines, Ont.

Montreal Sees Building Boom

Based on a survey showing a housing shortage in and around Montreal of 25,000 buildings, authorities in that city believe that the present improvement in residential construction will continue on an increasing scale in 1937. Indeed something of a "mild boom" in this type of building has been predicted.

Broaden Scope Of Housing Act

Smaller Loans Increase Following Revision — None in Alberta

From Our Own Correspondent

OTTAWA.—Notwithstanding the fact that the normal building season is now over for current year, applications for loans under the Dominion Housing Act continue to come in at Ottawa. Up to Dec. 1, nearly 650 have been approved since the act came into force almost two years ago.

Total construction thus stimulated is in the neighborhood of $6 millions. Of this the Government and lending companies share, up to a maximum of 80% of the cost of the buildings, has been slightly over $4.5 millions.

Average Loan Smaller

A few months ago the average size of the joint loans of the federal authorities and the lending companies was just a shade under $5,000. This meant that the completed house stimulated by the legislation averaged $6,000 including lot. In order to spread the benefit of the Act into lower priced brackets, certain revisions were made last September whereby the Government agreed to assume a greater proportion of the potential losses on smaller sized loans and also to bear certain charges in making loans in districts where lending companies did not maintain branch offices. Results of the change, it is stated, were soon apparent with the average size of the loans dropping nearly $1,000 since September to about $4,000 apiece.

None in Alberta

While much of the first money loaned went to Ontario and Quebec in recent months, it is stated, loans have spread all over the Dominion with the exception of Alberta and Saskatchewan. Some loans are pending in the latter province, but authorities do not expect to see any business develop in Aberhart's Alberta.

Ontario Clothing Co., Trenton, Ont., is canvassing the possibility of locating a clothing manufacturing plant at St. Stephen, N.B. Consideration is being given to a plan to utilize a former shoe factory at St. Stephen.

Smart Bros., Collingwood, Ont., is preparing plans for a $12,000 extension of its canning plant. The addition will have an area of about 9,000 sq. ft. Municipal authorities have approved a fixed assessment for ten years.

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What's Behind Ontario Hydro Contract Manoeuvring?

Power Bonds Soar After Toronto Globe and Mail Shifts Ground and Calls on Hepburn to Negotiate New Contracts—Huge Profits Possible on Advance Knowledge

By C. W. STOLLERY

What is behind the fight between Premier Hepburn of Ontario and his chief journalistic supporter on the question of repudiation of power contracts?

Who has made the profits on power bonds?

These are only two of the many questions in the minds and on the lips of the public, and particularly investors, as a consequence of the recent attack by the Toronto Globe and Mail on the power policies of the Ontario Government and as a consequence of the talk of signing new and revised contracts.

Investors are probably justified in regarding the criticism of the power repudiation as praiseworthy in a newspaper which has been considered the foremost champion of the Hepburn Liberal Government. On the other hand, the very fact that the attack comes from a Government organ has given rise to bewilderment and some suspicion.

Way Out of Repudiation?

Is the clash between the newspaper and Mr. Hepburn just a sham battle like others the Premier has fought against the "big interests?" Is the Globe and Mail opening a way for the Government to back out of its repudiation? Is the present vigorous dispute a clever effort by the Government to create a new political issue to distract public attention from other and more embarrassing ones? These are among the subsidiary questions arising from the Hydro contract embroglio, throughout which the investor has been a victim.

They are questions that are easier to ask than to answer, if one wants to be fair to all the parties involved.

More than three weeks ago and over two weeks before the initial editorial outburst in the Globe and Mail, word came to The Financial Post from two entirely independent informants that the new Toronto daily would come out with an attack on the Government's power policy after the East Hastings by-election which was held Dec. 9. It was said this would give the Government a way out of repudiation.

When asked at the time whether such criticism was planned, C. George McCullagh, publisher of the Globe and Mail, did not evade the question, as might have been expected in the circumstances, but stated emphatically, "There's nothing in it."

Dealings in Bonds

The information was regarded as sufficiently reliable by some Toronto investment dealers, however, that they favored Beauharnois 5% bonds, and there were indications of substantial strength in the market. Montreal dealers do not appear to have followed the Toronto lead. Following publication of the Globe and Mail's first attack on the power policy, Beauharnois bonds advanced about 10 points, a rise in total values of some $3.6 millions. This was only part of the total market appreciation, as there is little doubt that the editorial attack also contributed to higher prices for other power bonds concerned in the contract repudiation.

In financial circles in Toronto the fight is regarded as a sham battle and nothing else. But spokesmen for Mr. McCullagh, publisher of the Globe and Mail, deny this indignantly and offer as evidence these points: that Mr. McCullagh has been a bitter opponent of repudiation from the first; that he gave at least two speeches (not reported in the press at his request), one in Galt and one in Niagara Falls, in which he attacked the Government on contract repudiation; that the sting in Mr. Hepburn's reply is not that of a sham fighter.

The recent developments add another incident to the many arising from the cancellation of Hydro contracts which have created enormous possibilities of profit to those with advance knowledge of events. It will be recalled that Lieut.-Col. George A. Drew stated in The Financial Post for Dec. 28, 1935, that immediately preceding the unexpected original attack on the contracts there were heavy sales of power bonds in large blocks. This article, non-political in character, was written before Col. Drew became organizer of the Conservative party in Ontario.

Newspaper Changes

There is a relationship of the power contract situation to the recent changes in ownership of Toronto morning newspapers. It was only last October that Mr. McCullagh became the publisher of the Toronto Globe, having acquired it with the financial backing of W. H. Wright. Up to that time the Globe was the chief supporter of and apologist for Ontario's repudiation policy. The Globe did not veer at once from its defense of the Government's cancellation of power contracts. As late as Nov. 4, under the new ownership, the Globe carried an editorial commending the Hydro's boasted saving of $690,645 in the month of October through cancellation of the contracts. The concluding remarks were that on the basis of the savings and benefits to consumers, "the Commission establishes the right of the contract cancellations."

The McCullagh-Wright interests bought the Mail and Empire on Nov. 18 from I. W. Killam, Montreal financier, under whose ownership the paper had been denouncing the power contract repudiation. On Nov. 23 the two newspapers appeared as one, the Globe and Mail, carrying a front-page headline:

"WILL NEVER PAY FOR POWER
—HEPBURN"

Editorially the new paper hesitated to pronounce emphatically on the cancellation of power contracts. But in view of its strong support of the Hepburn Government, notably in the strenuous East Hastings by-election, there appears to have been a general assumption that the journal would follow the Globe in condoning the repudiation of contracts.

Although the publisher of the Globe and Mail may have been an opponent of repudiation from the start, the editorial in the Globe of Nov. 4 suggests that it must have been some time later that the interests publishing the Globe decided to change from defense to attack of the Hepburn contract repudiation. And apparently the change of mind occurred before Dec. 2 when word first came to The Financial Post of the Globe and Mail's intentions, although the news did not get into print until eight days after the East Hastings vote. It is said that the Globe and Mail held off its attack until after that by-election in order not to embarrass the Government when it was fighting a losing battle over the Catholic school tax issue.

How Editorial Was Written

An unofficial story of how the first editorial came to be written, as told by a responsible informant to The Financial Post, is that on Dec. 16 a prominent business leader convinced Mr. McCullagh he should fight for an arbitration of the Hydro repudiation, which, it is said, Mr. McCullagh had already urged in several unreported speeches. Forthwith, the story goes, Mr. McCullagh and A. A. McIntosh, editor-in-chief, started to work on an editorial to appear in the issue of Dec. 17.

It is related that the first draft was not sufficiently emphatic, and that the editorial was rewritten on the evening of Dec. 16. This is said to be the reason that it did not appear in the early "bulldog" edition which is on sale before 10 p.m. If this unofficial story be given full credence, it would appear that at least in its suddenness the attack was not premeditated.

Hepburn Surprised

On the other hand, it may not appear reasonable that the chief Liberal organ in Ontario would attack the Government without consulting at least the premier. Mr. McCullagh himself is understood to deny any collusion with the Government to set the stage for a sham battle. And Mr. Hepburn says the attack on his power policy on the morning of Dec. 17 was a surprise to him.

This seems to be borne out by the scathing statement issued on the day of the initial editorial attack by Mr. Hepburn who denounced Messrs. McCullagh and Wright in no uncertain terms. This retort, however, is said to have been drafted chiefly by Hon. A. W. Roebuck, chief sponsor of the repudiation programme, to whom the attack was certainly a surprise. For on the evening of Dec. 16, at the very time the anti-repudiation guns were being loaded in the Globe and Mail offices, Mr. Roebuck was telling assembled Liberals of Oakville that, "If the people of Ontario want to have all our work undone, let them vote for Mr. Rowe, who says he will repudiate the repudiators."

Varying Views

By the morning of Dec. 18 Mr. Hepburn apparently felt the spirit of Christmas and stated he was willing to discuss the power situation with companies whose contracts he had cancelled. He continues to maintain, however, that the cancelled power is not needed.

It seems clear that a general rewriting of the power contracts would not have the sympathy of Mr. Roebuck, who besides being Attorney-General is a Hydro Commissioner. Other Hydro officials, however, would not shun a new contract with Ottawa Valley Power Co. if this firm would drop its court proceedings against the Hydro Commission.

An indication of Mr. Roebuck's views may be seen in the ambitious schemes for future development of power on the Niagara River and at DeCew Falls, which were revealed in The Financial Post of Dec. 5, 1936. These schemes are described as uneconomic by some engineers, but they are evidently in the back of Mr. Roebuck's head as ultimate means of obtaining more power for the Hydro and preferable to buying power from what have been termed the "power barons" and "power pigs" of Quebec.

Power Question

If Mr. Hepburn is wholly right in the contention that the Hydro does not need more power, it might well be wondered why the Globe and Mail is opening a way out of repudiation.

The big question of power is concerned chiefly with the Hydro's Niagara system which blankets the highly populated and industrialized areas of southern Ontario.

Only a few days ago the Hydro released figures showing the November load of primary power at a new record high of 1,052,000 h.p. The Hydro also sells "secondary" power at wholesale rates to industry, and this load reaches its greatest height when primary power consumption is below its peak. Nevertheless, some of the secondary power load is effective at the same time as the primary power peak. In November the coincident peak of primary and secondary power was over 1,094,000 h.p. This is what must be provided in the Niagara system.

The Hydro has power supplies of some 1,126,000 h.p. to meet current loads, as follows:

Niagara System Power Supplies

	h.p.
Hydro's plants	*926,000
Can. Niagara Power	20,000
Maclaren-Quebec	40,000
Gatineau Power	†140,000
Total	1,126,000

*Includes 96,000 h.p. from Chats Falls.
†Excludes reserves under contract.

It should be noted that this includes 96,000 h.p. from the Hydro's half of the Chats Falls plant on the Ottawa River in which the Ottawa Valley Power Co. is associated. This power from the Hydro half of the plant could be cut off entirely if Ottawa Valley Power Co. were successful in the court case now pointed toward the Privy Council. The Hydro is taking none of the 96,000 h.p. from Ottawa Valley Power and its own 96,000 h.p. could be rendered useless if the Ottawa Valley firm were to open its sluice gates and let the water run out of the dam.

Gatineau Reserve

Another 120,000 h.p. is available from Gatineau Power Co. under present contracts, so the current position appears comfortable. Immediate use of this supply would be necessary, however, if the Chats Falls power were all cut off, and then the Hydro would be left almost without power reserves. On the other hand the Gatineau contract contains a clause allowing the Hydro to make purchases of power from the Ottawa Valley company before drawing all the contracted power from Gatineau.

If the Hydro were to settle with Ottawa Valley Power Co., it would remove any possibility of having all Chats Falls power cut off. There is good reason to believe, therefore, that the Hydro would be willing to make a new contract with this company. That this is so has been admitted to The Financial Post by some of the Government powers that be.

Maclaren and Beauharnois

What of the contracts with Maclaren-Quebec Power Co. and Beauharnois Light, Heat & Power Co.? Maclaren-Quebec already has a new contract for 40,000 h.p. but would be glad to supply more power for the Hydro's future needs. Beauharnois is not selling any power to the Hydro at all and would be eager to arrange sales for the future.

There are possibilities, therefore, that the Hydro may arrange eventually to take power from Ottawa Valley Power Co. and that scale deliveries might be accepted some time in the obscure future from other firms.

Obstacles to Deals

It is important to note the two chief reasons why the Hepburn Government is not likely to relent so far as to take more power from the Maclaren and Beauharnois companies immediately:

1. Under the new Gatineau contract, the Hydro would have to pay for the full amount of Gatineau power before purchasing more from other firms, excepting only Ottawa Valley Power Co.

2. Present transmission lines to the eastern Ontario border are inadequate to allow all the cancelled power to be brought to central Ontario.

If the Hydro were to take all available power supplies from Gatineau and Ottawa Valley, as well as the 40,000 h.p. from Maclaren-Quebec, it would mean purchases totalling 500,000 h.p., straining the capacity of present transmission lines. Also, it would give a total supply of 1,340,000 h.p. for the Niagara system, more than has been required in 1936.

Rising Demand

Under the old power contracts there is another 85,000 h.p. to be had from Maclaren-Quebec and 250,000 h.p. from Beauharnois, a total additional supply of 335,000 h.p. To take delivery of this would require erection of new transmission lines estimated to cost upward of $15 millions; Mr. Hepburn says $25 millions. Apart from this physical requirement, it has been the Ontario Government's contention that this power is far from being required. The accompanying chart of the growth of power loads, however, indicates that continuation of the present trend will make it necessary for the Hydro to increase its power supplies eventually.

Apparently the long-term need for more power is recognized in the schemes to develop more at Niagara. Yet this seems to be overlooked in the new contracts with Maclaren-Quebec and Gatineau which run only 10 years, in contrast with the 40-year terms of the old contracts that were cancelled. Perhaps the growth of the power load will put the Hydro ultimately in the position of beggar for power rather than chooser of its supplies.

Political Implications

There are deeper implications in the current developments than the question of near-future supplies of power from the Hydro's Niagara system. They may be summarized:

1. The publicly-owned Hydro has become a political issue and its administration in the future is likely to be changed by succeeding governments. The continent's "model" public ownership venture has been thrown into a political arena from which it may be a long time emerging.

2. Already facing the uncertain political hazards of a religious issue, the Hepburn Government's chances of re-election may be injured if it is impelled to recant the heresy of repudiation which it has sought so actively to popularize as an unavoidable necessity.

The people of Ontario who are essentially honest, as well as investors in power bonds, will be glad of the Globe and Mail support for policies of fair and honest dealing in the power contracts fiasco. But in view of the injection of Hydro administration into politics, they must be prepared to wait a long time for satisfactory settlements to be made and for the political echoes of the repudiation to die away.

The Actors

Seven Players Lead Hydro Drama On Repudiation

Chief actors in the latest act of the drama of the repudiated contracts of the Hydro-Electric Power Commission of Ontario include:

C. George McCullagh, youthful and impulsive publisher of the Toronto Globe and Mail, strong supporter and close friend of the Hepburn Liberal Government in Ontario, who has nevertheless attacked the repudiation.

W. H. Wright, silent Croesus, who has parted with several millions, first to buy the pro-repudiation Toronto Globe and then the anti-repudiation Mail & Empire to back Mr. McCullagh in publishing the combined Globe and Mail.

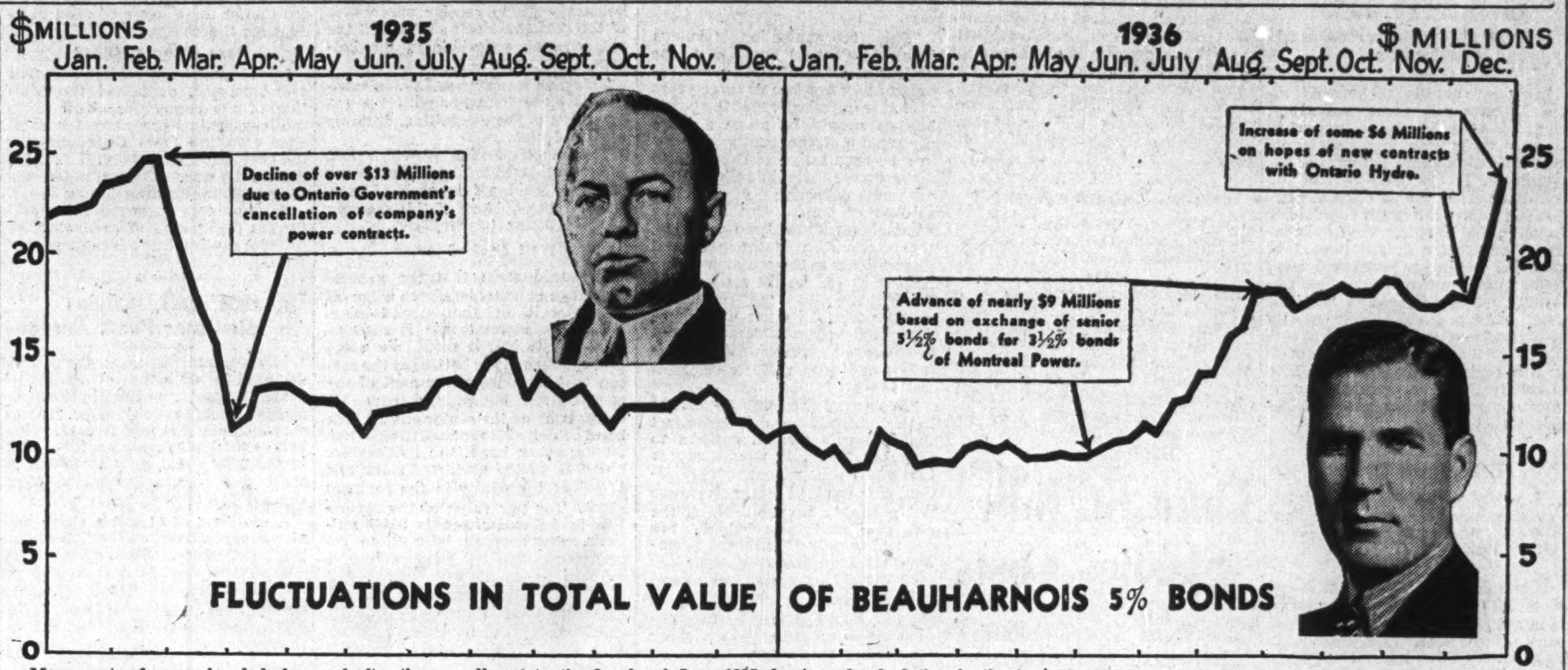
I. W. Killam, wealthy Montreal financier, who promoted the securities of Ottawa Valley Power Co., one of the companies with cancelled contracts, and the man who formerly owned the Mail and Empire and sold it to Messrs. Wright and McCullagh.

Hon. Mitchell F. Hepburn, outspoken premier of Ontario, who is the friend of millionaires but an attacker of what he calls "money barons," the man who introduced the repudiation act in the provincial legislature.

Hon. Arthur W. Roebuck, attorney-general of Ontario, noted for his radical views and for being the spearhead of the repudiation propagandists in 1935.

Hon. L. A. Taschereau, grand seigneur and ex-premier (Liberal) of Quebec, who has always regretted Ontario's repudiation particularly because it is a blow to the Quebec power industry and to investors.

Hon. Earl Rowe, leader of the Conservative opposition to the Hepburn Government, who has attacked the repudiation whenever and however possible.



Movements of power bonds before and after the cancellation of Ontario Hydro contracts have resulted in changes of many millions of dollars in total market values. The Beauharnois 5% bonds are typical. Recently the bonds got back to the levels of Jan., 1935, having plumbed the depths in intervening months. Shown in the centre above is Premier Mitchell F. Hepburn of Ontario and at the lower right is C. George McCullagh, publisher of the Toronto Globe & Mail. Mr. Hepburn took a leading part in the Government action which put the bonds down so sharply in March and April, 1935, and Mr. McCullagh's editorial policy has been a major influence in the recent sharp advance.

March of Events in Hydro Controversy

Chronology of events in the Ontario Hydro's repudiation of contracts with four Quebec power companies is as follows:

1926

March 1—Hydro enters 75-year agreement to develop jointly the Chats Falls power site on Ottawa River.

May 19—Hydro contracts for 260,000 h.p. of 25-cycle power for the Niagara system in southern Ontario at $15 per h.p. from Gatineau Power Co.

1927

Dec. 28—Hydro contracts for 60,000 h.p. of 60-cycle power for eastern Ontario from Gatineau at $15 per h.p. Company's offerings of securities in 18 months total $68.5 millions.

1929

Nov. 29—Hydro contracts with Beauharnois Light, Heat & Power Co. for 25-cycle power at $15 per h.p., deliveries to reach peak of 250,000 h.p. in 1936.

Dec.—Growth of Hydro load necessitates use of power purchased from Gatineau in 1926. Beauharnois sells $30 millions of 6% bonds, subsequently changed into 5% issue.

1930

Feb. 15—Hydro contracts to buy 96,000 h.p. of Chats Falls power from Ottawa Valley Power Co. as joint-developer of site, deliveries to start in 1931.

Oct.—Ottawa Valley sells $9 millions of 5½% bonds on strength of contract with Hydro.

Dec. 20.—Hydro contracts with James Maclaren Co for power supplies rising to 125,000 h.p. in 1936 at $15.

1931

Jan. 14—James Maclaren Co. contract transferred by agreement to Maclaren-Quebec Power Co.

Feb.—Maclaren-Quebec sells $12 millions of 5½% bonds.

Feb. 24—Hydro agrees to operate the Ottawa Valley Power Co. half of Chats Falls power plant as the company's agent.

Oct. 1—Hydro takes full 260,000 h.p. from Gatineau and initial 48,000 h.p. from Ottawa Valley Power Co.

Dec.—Peak load of Hydro's Niagara system about 80,000 h.p. below 1929 peak.

1932

Oct. 1—Chats Falls project complete, and full 96,000 h.p. delivered to Hydro by Ottawa Valley Power Co. Initial 35,000 h.p. delivered by Beauharnois.

1933

July 1—Initial delivery of 20,000 h.p. made by Maclaren.

Oct. 1—Beauharnois contract delivery increased to 75,000 h.p.

1934

May 18—Rt. Hon. Arthur Meighen resigns from Hydro Commission.

June 19—Hepburn Government elected after criticizing Hydro power purchases and administration.

July 1—Maclaren deliveries rise to 40,000 h.p. under contract.

July 11—Hon. J. R. Cooke, chairman, and C. A. Maguire, vice-chairman of Hydro Commission, retired from office by order-in-council. New Government appoints T. Stewart Lyon chairman and Hon. A. W. Roebuck and Hon. T. B. McQuesten, commissioners. F. A. Gaby, chief engineer, discharged.

July 20—Mr. Lyon signs report for year ended Oct. 31, 1933, which states that continuation of present trends in the next two or three years will vindicate completely the policy of providing power supplies.

July 18—New Hydro Commission resolves to develop future power requirements on Niagara River. Hamilton power users blame Quebec power purchases for proposals to increase rates.

Sept.—Beauharnois 5½% bond offerings $20.6 millions in year. Company's total bonds $74.2 millions.

Oct. 1—Beauharnois power delivery rises to 129,000 h.p. under contract.

Dec. 5—T. Stewart Lyon says criticisms that Hydro finances have weakness entirely untrue.

Dec.—Maclaren-Quebec sells $6 millions of 5½% bonds; total $18 millions.

1935

Feb. 28—Hon. A. W. Roebuck starts speech criticizing Hydro contracts in Ontario legislature.

March 1—Mr. Roebuck concludes speech declaring Hydro contracts with Quebec power firms "illegal, unenforceable and void ab initio." Bonds of companies decline.

April 1—Premier Hepburn introduces bill declaring contracts void to be effective upon proclamation. Power bonds collapse.

April 11—Voiding bill passed by Government. Power bonds depressed.

May 1—Mr. Hepburn says he will confer with Premier Taschereau of Quebec on power. Bonds stronger.

June 10—Hydro announces it will not take increase of 27,000 h.p. from Maclaren due July 1, nor increase of 67,000 h.p. from Beauharnois Nov. 1.

July 1—Maclaren increase of 27,000 h.p. refused.

Sept. 30—Hydro refuses to take additional 67,000 h.p. from Beauharnois.

Oct. 1—6,000 h.p. extra from Gatineau refused by Hydro.

Oct. 31—Hydro refuses to accept any power from Quebec companies except a small amount of 60-cycle power from Gatineau for eastern Ontario.

Dec. 6—Repudiation act cancelling contracts proclaimed, but Gatineau to supply Hydro's power needs for winter peak loads.

Dec. 10—Hepburn and Taschereau confer at Ottawa with no visible result.

Dec. 19—Hydro approves new contracts with Gatineau for maximum of 260,000 h.p. 25-cycle power, 60,000 h.p. 60-cycle power; and with Maclaren-Quebec for 40,000 h.p. 25-cycle power.

1936

Jan. 20—Ottawa Valley Power Co. issues writ against Hydro for damages and asking court to declare whether power act is legal.

Feb. 12—Beauharnois issues writ asking court to declare Hydro Repudiation Act ultra vires the Ontario Government.

May 30—Mr. Roebuck hints of Hydro plans to develop additional power at Niagara.

June 4—Court refuses to hear Ottawa Valley case without consent of attorney-general. Appeal to be made.

Aug. 10—Holders of 5½% Beauharnois bonds approve plan to exchange for 3½% bonds of Montreal Light, Heat & Power, which controls Beauharnois enterprise.

Oct. 15—Messrs. Wright and McCullagh buy the Toronto Globe.

Nov. 15—Hydro takes additional 20,000 h.p. as firm delivery from Gatineau, drawing it from reserve under contract.

Nov. 18—Messrs. Wright and McCullagh buy Mail & Empire.

Nov. 19—Ottawa Valley Power Co. wins appeal, gaining right to sue Hydro. Case to go to Privy Council.

Nov. 22—Hepburn says court decision is "a hogshead of law and a thimbleful of justice," that the province "will never pay," and will appeal.

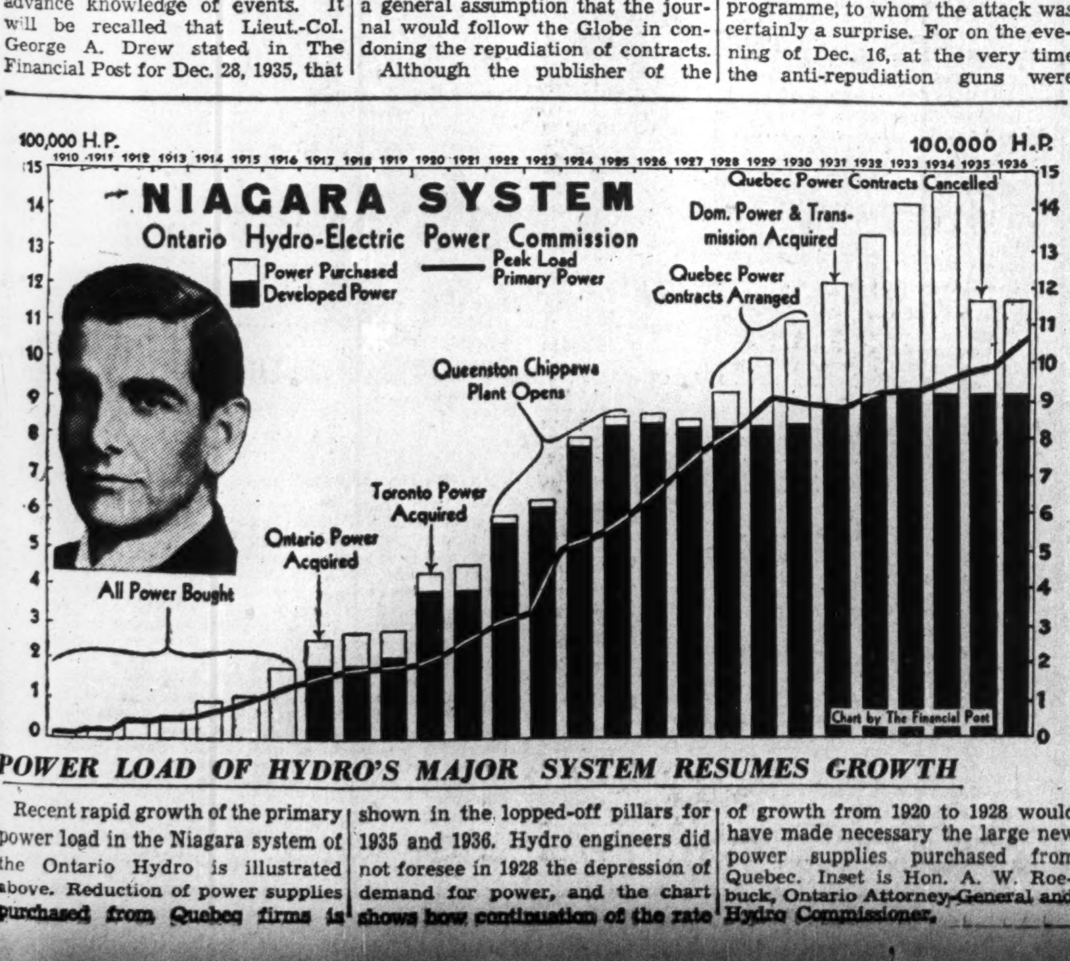
Nov. 23—First issue of merged Globe and Mail declares intent of publishers to support Hepburn Government.

Dec. 1—Hydro takes another 20,000 h.p. from reserve with Gatineau.

Dec. 9—Hepburn Government loses East Hastings by-election despite support of Globe and Mail.

Dec. 17—Globe and Mail editorial "Price of Repudiation" urges fair deal on power contracts, criticizing repudiation.

Dec. 18—Hepburn announces willingness to discuss power with companies but denounces Globe and Mail for attack. Companies also willing. Power bonds continue rise. Hydro reveals November load of firm power highest on record.



POWER LOAD OF HYDRO'S MAJOR SYSTEM RESUMES GROWTH

Recent rapid growth of the primary power load in the Niagara system of the Ontario Hydro is illustrated above. Reduction of power supplies purchased from Quebec firms is shown in the lopped-off pillars for 1935 and 1936. Hydro engineers did not foresee in 1928 the depression of demand for power, and the chart shows how continuation of the rate of growth from 1920 to 1928 would have made necessary the large new power supplies purchased from Quebec. Inset is Hon. A. W. Roebuck, Ontario Attorney-General and Hydro Commissioner.

Ottawa Valley Contract Best For Revision

Maclaren and Beauharnois Limited by Gatineau Contract

HYDRO COVENANT

New power contract between the Hydro-Electric Power Commission of Ontario and the Gatineau Power Co., dated Feb. 8, 1936, appears to interfere with any rewriting of contracts for Maclaren-Quebec Power Co. and Beauharnois Light, Heat & Power. On the other hand, the Gatineau contract leaves an opening for the Hydro to make a new deal with Ottawa Valley Power Co.

Under clause 3 (j) of the new Gatineau contract, the Hydro Commission covenants that:

"Until the contract demand shall have reached 260,000 h.p., to purchase from the power company (Gatineau) all power and energy generated in the Province of Quebec and used by the Commission in its Niagara system as now constituted . . except 40,000 h.p. from Maclaren-Quebec Power Co. or its successor, and such power as the Commission may take from the portion of the Chats Falls development located in the Province of Quebec."

Meaning of Clause

The Hydro takes only 140,000 h.p. from Gatineau under the contract demand, the remaining 120,000 h.p. being reserve power. It would be necessary for the Hydro to pay substantially increased sums to take all this power as contract demand. Unless it does so, however, the clause places a distinct limit on purchases from the Maclaren firm and precludes any purchases from Beauharnois.

The reference to the portion of the Chats Falls development in the Province of Quebec means the half of the project operated by Ottawa Valley Power Co. The Ontario half of this Ottawa River power development belongs to the Hydro itself. The clause would allow the Hydro first to take all the 96,000 h.p. formerly purchased from Ottawa Valley Power Co. without interference with the Gatineau contract.

Position of senior securities of the companies most directly concerned in the Hydro contract situation may be summarized:

Beauharnois 5% bonds — Without earnings the bonds nevertheless are not in default because interest is not payable until April 1, 1938. Without a contract from Ontario Hydro payment is problematical. However, it is suggested that eventually, through the controlling firm, Montreal Power, an offer worth 65 to 70 cents on the dollar may develop for holders.

Ottawa Valley 5½% bonds—Selling around 90 the bonds reflect the postponement of interest due Oct. 1, 1936, and April 1, 1937, due to loss of the only customer, the Hydro. However, the company has been successful so far in its suit against the Hydro and stands first in line to receive any new power contract.

Maclaren-Quebec 5½% bonds—With improvement of conditions in newsprint operations of the companion firm, James Maclaren Co. and the small Hydro contract, the company has been able to maintain interest payments.

Gatineau Position

Gatineau 5% and 6% bonds—Increased activity of associated newsprint firms and the substantial new contract with the Hydro allow the company to cover interest on all bonds by a comfortable margin.

Can. Hydro 6% Pref.—Controlling Gatineau the company's net earnings are sufficient, after Gatineau bond interest, to cover preferred dividends, which, however, are not being paid. The shares have risen above 80 on expectations that payments will be resumed ultimately. The shares would benefit if Gatineau bonds were refunded at reduced interest rates.

Hydro Loads Up In All Systems

Pronounced gains in primary power loads in all systems of the Hydro-Electric Power Commission of Ontario are shown for November in comparison with the 1935 month.

Comparative figures follow:

Summary of Loads, Nov., 1936
Max. 20-Min. Peak.h.p.

Primary Load Systems:	Nov., 1936 h.p.	Nov., 1935 h.p.	Incr. %
Niagara	1,052,279	987,803	+ 6.5
Eastern Ont.	118,083	106,139	+11.3
Georgian Bay	29,390	27,440	+ 7.1
Thunder Bay	82,226	70,255	+17.0
Northern Ont.	100,265	71,417	+40.4
Total	1,382,243	1,263,053	+ 9.4
Primary and Secondary Loads Systems:			
Niagara	1,094,504	1,124,129	— 2.6
Eastern Ont.	124,129	122,527	+ 1.3
Georgian Bay	29,390	27,440	+ 7.1
Thunder Bay	142,339	124,396	+14.4
Northern Ont.	183,777	132,409	+38.8
Total	1,574,139	1,530,901	+ 2.8

Your Investments

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Bathurst

Please let me have your views as to the cash position of Bathurst Power and Paper Co.

Bathurst Power and Paper Co. reported that for the first six months of 1936, sales of kraft liner board increased 25% in volume over the corresponding period of 1935. Since then the company has had the advantage resulting from the operations of a 100-ton cylinder machine that is producing folding boxboard. No estimates are available as to income for 1936, but it is expected that the showing will be better than in 1935, when earnings on the class A stock amounted to 24 cents a share.

The company's accounts and working capital position are such that dividends could readily be paid in cash as earned. No bank loans or future debts exist to restrict the company in this regard.

Canadian Wallpaper

I am considering an investment in Canadian Wallpaper, but would like further information about the company.

Canadian Wallpaper Manufacturers Ltd., had earnings of $1.68 a share on the combined class A and class B common stock in the year ended April 30, 1936. This compares with $1.87 a share in the preceding year. Earnings have been shown on the common stock in every year through the depression with the exception of 1933 when there was a deficit of $131,479. There are 23,342 class A shares and 105,904 class B shares outstanding.

Even in times of depression a company manufacturing consumer goods like wallpaper always finds a certain amount of demand for its wares. In times of recovery such as the present, when a good deal of renovation is going on, the business naturally improves. At prices around $30 a share the annual dividend of $1.25 a share yields about 4%. While the prospects for the company do not seem to indicate sensational expansion of earnings and dividends, further industrial recovery, particularly in house building and renovation, may improve the company's results.

Asbestos Corp.

Is there a dividend in sight for shareholders of Asbestos Corp.?

Asbestos Corp. has improved its position tremendously in the last two years, and when bond obligations are cleared up will be in a position to pay dividends on the common.

B. C. Power

Will you be good enough to let me know what effect the recent financing of B. C. Power Corp. will have upon the class B stock?

The refunding operation of B. C. Power Corp. will be of benefit from two points of view. In the first place interest charges will be reduced. In the second place the company will be relieved of the obligation to pay principal and interest on its bonded debt in three currencies as heretofore. The present financing provides that principal and interest on the bonds will be payable only in Canadian funds. In the past the company has had to pay substantial premiums on the purchase of American funds and sterling.

It is a little difficult to state at this time just what effect the refunding operation will have upon the B stock. On the whole it should be favorable, but it will, for the time being, have little effect upon earnings available on the stock.

B. A. Oil

Is there reason to expect a higher dividend disbursement to holders of British American Oil?

British American Oil Co. has been paying dividends of 80 cents a share annually and recently declared an extra dividend of 20 cents a share. No doubt you noticed our recent article explaining that the company's gross revenue in the United States is over $2 a share on the common stock. Subsequently the allowable production in the Oklahoma oil fields has been raised and the price of crude oil has also advanced, so the U. S. gross revenue may run closer to $2.50 than to $2 a share. Although this large revenue is not being disbursed in dividends, it holds promise of larger eventual payment for shareholders.

Western Savings

I would like your opinion on savings certificates on Western Savings and Loan Association.

Western Savings and Loan Association of Winnipeg has been operating in western Canada for some years selling long-term savings certificates. The purchaser is required to make regular deposits, and it is important for him to be sure of his ability to maintain these deposits throughout the life of the certificate. Outside of the ability of the purchaser to make payments, the most important influence on the investment value of the certificates is the company's investment policy. A large part of the investments consist of government bonds, but the company has also substantial first mortgages mostly on urban real estate which have been carefully selected in the depression. These assets are more than sufficient to meet the surrender liabilities on certificates.

Investors Syndicate

Is Investors Syndicate considered a sound investment?

In order to get the full benefit from the Investors Syndicate certificate plan, it is essential for the investor to be sure he is able to maintain his payments throughout the term of the certificate. In the early part of the contract period, major costs are deducted from the cash surrender value, so that to obtain the full benefit of the scheme it is necessary to maintain payments until the later years when the cash values rise materially. The company's balance sheet shows investments, mostly bonds and mortgages, more than sufficient to meet surrender liabilities on certificates. They have been able to satisfy Canadian authorities that they are maintaining adequate reserves for investors.

Hinde and Dauch

I would appreciate a word on earnings prospects for Hinde and Dauch. What is the current yield on the stock?

Hinde & Dauch Paper Co., shares yield 5% at the current quotations of about 20 and will show improved earnings this year. Last year's profits of $1.18 a share compare with the new dividend rate of $1 a share.

International Nickel

Has the stock market fully discounted International Nickel's expansion programme and improved earnings?

International Nickel has recovered remarkably, and in an active stock market the shares move widely on the basis of improved earnings. It seems probable, however, that a major part of the company's earnings recovery has already been experienced although further gains are possible. Whatever additional improvement may come is hardly likely to be as large proportionately as that which has already been experienced.

Supersilk Hosiery

Are sales and earnings of Supersilk Hosiery likely to improve?

Production of Supersilk Hosiery Mills Ltd. has increased substantially in the last year, most of its output being absorbed in an increasing export trade. The company's plant and equipment have had to be expanded to meet increasing demands for its goods but profits have been adversely affected by low prices and unsettled conditions in the trade.

No income account is published by the company so that it is not possible to make an accurate comparison of earnings from year to year. Net profits, however, are stated by the president to have been $31,848 in the fiscal year ended Dec. 31, 1935, compared with $25,520 in 1934.

Brazilian Traction

Are there any new developments indicating Brazilian Traction will soon pay a regular dividend?

Brazilian Traction is doing better under Brazilian exchange arrangements and is therefore able to pay occasional cash dividends to shareholders. It is difficult to say, however, when the company will be able to establish a regular dividend rate.

Imperial Oil

How can Imperial Oil pay its present dividend when it is not earning the amount of the dividend?

Imperial Oil Ltd. has been showing earnings slightly under $1 a share and paying dividends of $1.25 a share annually. The hope is that the company's revenue will rise to an excess sufficient to cover the full dividend. Meanwhile, reserves are sufficiently large to allow payment of the excess dividend for some years. The company's main producing subsidiary is International Petroleum. Prices for crude oil are improving, and this should benefit both International Petroleum and Imperial Oil.

Diversified Investment

Have the shares of Diversified Investment Trust any current market value?

Diversified Investment Trust was wound up and its assets turned over to National Research Investments. The last report we had was that there were practically no assets at all. We know of no market value for either the common or the preferred shares, and, although it might be unwise to destroy the certificates, they are not likely ever to be of value.

Stand. Reliance Assets

Is there any possibility of a return to shareholders from Standard Reliance Assets?

Standard Reliance Assets issued a report in 1935, the first in four years. Adverse real estate conditions have made it difficult to liquidate the company's real estate assets and there is no prospect of a distribution to shareholders at present. Eventually, however, some payment may be forthcoming.

Lake St. John Slashes Costs

Can Earn 5% Debenture Interest as Well as 5½% on Bonds

Reliable estimates indicate that Lake St. John Power & Paper Co. should be able to earn sufficient net revenue under the recent recapitalization to meet full interest on new 5% debentures as well as on the 5½% first mortgage bonds. This estimate is based on maintenance of approximately the present level of newsprint prices with operations at about 90% of capacity. Costs have been cut 37½% in five years.

With the increase in the price of newsprint to $42.50 a ton on Jan. 1, 1937, and maintenance of present volume, it is expected that the debenture interest will be earned with a comfortable margin.

The company's production this year has been running at about 90% of annual capacity of 90,000 tons of newsprint. This compares with 81½% in 1935, 78% in 1934, 73% in 1933 and 65% in 1932.

The company's working capital had increased to slightly over $1.7 million at Oct. 31, 1936, representing a total gain of about $2.5 millions since 1932. In that year the working capital was only slightly above $100,000 and in the meantime the bank loan of about $900,000 has been paid off.

Costs of producing newsprint have shown consistent decreases since 1932. Every effort has been made to cut costs, and directors now believe that the latest results are close to the minimum possible. Hence no appreciable further reductions are expected. After allowing for depletion and bank interest, but before bond interest and depreciation charges, costs have been reduced 37½% in the past five years. The changes as a percentage of 1932 costs have been as follows:

Lake St. John Production Costs
(1932 costs=100)

1933	79%	1935	65%
1934	71%	*1936	62½%

*First 10 months.

Interest on the first mortgage bonds is fixed at 5½% from July 1, 1936. On the 5% debentures it accrues from the same date but is payable annually on April 1 only if earned. After any payment on April 1, 1942, from earnings in 1941, interest on the debentures becomes a fixed 5% charge payable semi-annually on Jan. 1 and July 1.

Biltmore Hats Plans To Subdivide Common

Shareholders of Biltmore Hats Ltd. will meet at Guelph Dec. 29 to consider a by-law authorizing a split of each present common share into four new no par value shares. The outstanding capital of 20,000 shares would become 80,000 shares and holders would receive four new shares for each present share.

It is expected the proposals will be adopted. It is understood no new financing is contemplated at present.

Rackets

Job Racketeers

JOBLESS men with a few dollars and gullible "investors" who pay $1,000 and up for dubious "partnerships" are the victims who contribute a huge toll to employment racketeers in Canada each year.

Increases in cases of job racketeering are noted currently in Ontario and in Quebec. A high pressure Montreal racketeer, now the object of police search, victimized 150 persons within three months, offering jobs chiefly to high school students for fees ranging from $3 to $10. Young men and women were approached with proposals that they accept employment in a hotel or department store, told that the cost of a "uniform" would be $3 or more, and given instructions to meet the pseudo agent at the hotel or store, after the money was collected. At least 150 of the victims laid complaints with the police, but many others are believed to have remained silent. A variation of the racket was an approach to the parents, more likely to have cash, and one woman on relief paid $8 for the "uniform."

In Ontario, Better Business Bureau officials are combatting the "cash bond" racket, another version of the employment swindle. In Toronto, one Arthur Fenn was recently sentenced to six months in jail for obtaining $93 from a number of young men by means of "cash bonds." He inserted a Help Wanted advertisement in daily newspapers, indicating he had jobs for young men who could put up $25 as a cash bond. No job was forthcoming and Fenn was arrested.

Other recent instances brought to light in Toronto involved payments of $1,300 and $1,100 by men who sought business partnerships with unknown racketeers who promised half the profits of the enterprise. In most cases the racketeer disappears from the scene immediately on receipt of the money and the victims are left with little or no possibility of recovering the loss.

STOCKS LISTED AND UNLISTED BONDS
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TORONTO
Elgin 3294

C. S. L. Plan Attacked By Preferred Holders

Senior Stockholder Says Common Should Receive Smaller Share of Equity — Many Angles in Reorganization

The Financial Post has received several letters from preferred shareholders of Canada Steamship Lines objecting to the treatment meted out to holders of preferred shares in the proposed plan of reorganization. These letters claim that common shareholders are being given too large a share of the equity.

One letter has the following to say:

"This reorganization (Canada Steamship Lines) appears to be typical of some of the earlier reorganizations of two or three years ago. It is quite right that the bondholders should be given a large proportion of the equity security in a reorganization of this kind to make up for their defaulted interest and reduction of principal amount of bonds. But after the bondholders have been satisfied, the relationship of the preferred shareholders to the common shareholders should be the same as the bondholders to the preferred shareholders. In other words, the preferred shareholders should have a prior claim on the remaining equity stock under a reorganization.

"In view of the large amount of back dividends and due to the fact that the preferred is entitled to $100 per share, it would appear that under this present reorganization, the preferred shareholders are not getting a square deal. If the old preferred shareholders are entitled to only 1¼ shares of common stock in the new company, then the old common stock shareholders should receive not more than 1/20 of a share of new common stock instead of half a share which they are to receive."

Accountant's Views

Another interesting view is that of a chartered accountant in Winnipeg. He says:

"The present reorganization scheme seems to turn back the pages of progress and to revert to the one-sided principles underlying some of the reorganizations that were consummated several years ago.

"As a group, the bondholders are naturally entitled to be considered first, but after they have satisfied their own ideas, the preferred shareholders should, as next in line, be accorded the right to satisfy their claims to the fullest possible extent.

"In this Canada Steamships matter it appears that common shareholders have been given much more than their just due in the proposals. Comparably with the preferred, they are being treated far too generously. The compensation of one quarter of a common share to each share of preferred in satisfaction of several years of dividend arrears and the cancelling of preferred rating are not equitable, as compared with common shareholders having their holdings reduced by only one half. The common shareholders should be cut down to a very small fraction. Alternately the preferred should get more than 1¼ shares of new common for each share of preferred now held."

These views on the proposed plan of reorganization for Canada Steamship Co. are interesting. In a case of this sort it is sometimes difficult to tell whether or not the plan is a fair one for all concerned. Naturally concessions have to be made by all parties, though the point to determine is whether or not any one group has made too great a concession.

Four interests are involved in the reorganization: holders of the consolidated mortgage debenture stock; first and general mortgage 6% bonds; preference stock; and common stock.

Last April the bondholders' protective committee for the first and general mortgage bondholders, proposed a plan of reorganization which provided, among other things, that the mortgage debenture stock be left unchanged; that the general mortgage bondholders receive $10.5 millions of new 5% bonds, $7 millions of new 5% convertible preference stock and over half of the common stock equity. The preferred shareholders were to receive about 46% of the common stock equity and the old common shareholders the balance.

This plan was opposed by the company's directors who, with the cooperation of the committee, drew up a second plan.

The modified plan provides that the consolidated mortgage debenture stock be paid off in cash. Consequently the holders of this security have no cause for complaint.

Well Looked After

It would seem that the general mortgage bondholders have come off fairly well in the second plan. While the interest rate is reduced from 6% to 5%, it should be noted that the security is better for the reason that with the retirement of the consolidated bonds, the new 5% bonds become the senior charge. The bond principal is reduced to 60%, but, on the other hand, the holders are given all of the preferred stock and 17½% of the equity in the common stock. The par value of the securities to be exchanged is $17.5 millions, plus accrued interest, in return for which the holders receive $10.5 millions of new bonds and nearly $11.5 millions of preferred, making a total of approximately $22 millions of securities. In addition they get the 52,500 shares of common stock.

At the end of last year the net worth of Canada Steamship Lines, after deducting the first mortgage bonds, was $24.7 millions. The general mortgage bondholders are securing under the modified plan securities representing a charge of $22 millions against these assets, without considering the 17½% equity in the balance. This would correspond to the equity which the general mortgage bondholders would have if they retained their old securities plus the arrears of interest.

Question of Preferred

The position of the preferred shareholders is not so clear-cut. Under the plan, holders of the preferred are getting 62% of the common stock equity which gives them control of the company. Of course this control has no particular value at present. Moreover, the preferred shareholders' equity under the new set-up, as compared with the old one, is somewhat less.

It might be argued that the preferred shareholders are entitled to all the equity remaining after providing for the general mortgage bondholders. The preferred, however, has no legal rights, except in the case of liquidation. In such an event, however, it is doubtful if the preferred shareholders would get anything. Therefore in order to keep the company in operation and out of the hands of the receiver, the supporters of the plan believe it is in the interests of the preferred shareholders to give some of the equity to the common shareholders. In this particular case the common shareholders are being offered 20½% of the equity.

Share or Lose All

The point of issue would appear to be whether it is not in the interests of the preferred shareholders to give up a share of the equity to the common stock holders in order to keep the company solvent, or to allow the company to go into liquidation with the prospects of getting little or nothing.

It is the old story of a preferred stock being neither fish nor fowl.

Russell Motor Pays on Common

Reflecting substantially improved business this year, Russell Motor Car Co. has declared a dividend of $1.50 a share on the common stock, payable Dec. 31 to shareholders of record Dec. 21. Last previous payment on the common was on Nov. 1, 1932.

A dividend of $1.17 a share for the last two months of 1936 has also been declared on the 7% preferred stock. It is payable on the same date.

The odd amount payment on the preferred brings the dividends up to the full amount due to Dec. 31. In future the regular quarterly dividends on the preferred will conform with the company's year. Preferred dividends will now be due quarterly on April 1, July 1, Oct. 1 and Jan. 1.

In 1935, earnings were equivalent to $9.32 a share on the preferred, and although regular quarterly dividends of $1.75 each were resumed, there were arrears of $5 a share on the preferred. This year's payments total $13.17 a share on the preferred, wiping out all arrears.

The company's revenues come chiefly from two operating subsidiaries, Canada Cycle & Motor Co. and Canadian Acme Screw & Gear Ltd.

Famous Players Plans Write-off of $5.2 Millions

Famous Players Canadian Corp. has called a special meeting of shareholders Dec. 28, to consider a by-law reducing the company's capital, from $9,179,065 to $3,975,240.

This would be effected by writing $5,203,825 off the stated amount of the common stock liability and a similar amount off the assets item of some $7.5 millions for goodwill. The change does not affect the real value of the shares or the assets.

Chemical Research Meeting Postponed Until Jan. 16

Meeting of shareholders of Chemical Research Corp. called for Dec. 19 at Detroit has been postponed until Jan. 16, 1937. It is expected a complete report will be ready for presentation to shareholders at the meeting.

The postponement is stated to arise from revision of the company's contract with the Patent Club under which revenues are received from the company's Gyro process for cracking crude oil.

Chemical Research Corp. is understood to have signed a contract for installation of refining units using the Gyro process in Argentina.

Prairie Retail Sales

Retail sales in Manitoba, Saskatchewan and Alberta for 1935 totalled almost $385 millions an increase of 6% over 1934 and 16% higher than 1933.

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J. K. RINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

Can. Car Head Feels Cheerful

Tells Shareholders Two or Three Years of Good Business Ahead

From Our Own Correspondent

MONTREAL.—Two or three years of good business are ahead of Canadian Car and Foundry Co., according to a statement made by W. W. Butler, president of the company, at the annual meeting of shareholders.

"I am very optimistic for the future," Mr. Butler declared. "With all the business in sight and all the lines we manufacture, I think I can safely say that we are going to have a good year in 1937 and I think we will have a good year in 1938. I can see two or three years of good business for the company."

War Claim Outlined

L. A. Peto, vice-president and general manager, explained the position of the company's claim of $6 millions against Germany for damages resulting from destruction of the company's Kingsland, N.J., plant during the war. It comes before the Mixed Claims Commission on Jan. 6.

Shareholders approved the report for the past year and re-elected the directors, with the addition of Mr. Peto.

International Utilities Reduces Pref. Arrears

International Utilities Corp. has declared a dividend of $3.37½ a share on arrears on the $7 prior preferred stock, payable Dec. 23 to shareholders of record Dec. 15. This brings total payments on this stock in the 1936 fiscal year to $9.62½ a share and reduce arrears to $4 a share.

A dividend of $1.68¾ a share has also been declared on the $3.50 prior preferred stock. This dividend is also payable Dec. 23 to shareholders of record Dec. 15. Total payments on this stock in 1936 will total $4.81¼ and arrears have been reduced to $3 a share.

Hudson's Bay Co. to Pay 5% on Preference Stock

Hudson's Bay Co. has declared a dividend of 5% on its preference shares, payable Jan. 1, 1937. This constitutes the first dividend on the stock since 1930.

On July 1 of this year preference shareholders received 30 shillings capital repayment on each £5 share, thus reducing the shares to a par value of £3½. All dividend arrears on the 30-shilling payment were liquidated, absorbing the bulk of the previous year's profits.

Gordon Given New Post In Dominion Coal Co.

From Our Own Correspondent

SYDNEY.—Harry Gordon, New Glasgow, N.S., has been appointed assistant general manager of coal operations of the Dominion Coal Co.

CANADIAN SECURITIES
Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Foundation Co. Awarded Shell Oil Co. Contract

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has been awarded a contract for the construction of extensions to the laboratory plant and to the can storage building of the Shell Oil Co. of Canada oil refineries in Montreal East.

TRENDS IN 1936
Sharp recovery in trade and financial markets concisely discussed in current issue of The Greenshields Review.
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83

CANADA'S GROWTH
Canada's greatness is the result of generations of growth. By safeguarding savings; by promoting confidence; by stimulating construction; by encouraging thrift, the Canada Permanent Mortgage Corporation has contributed to Canada's sturdy growth for more than 81 years.

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HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid). $2,000,000 Reserve Fund, $2,400,000

International Paints (Canada) Limited

and Subsidiary Companies

Annual Report of Board of Directors for Year Ended September 30, 1936

TO THE SHAREHOLDERS:

Your Directors beg to submit herewith the Eighth Annual Report of the business and affairs of the Company for the fiscal year ended September 30, 1936, together with Financial Statements certified by your Auditors, Messrs. Price, Waterhouse & Co.

During the year under review a Compromise or Arrangement between the Company and its shareholders was approved by you at a Special General Meeting held on March 16, 1936, and following this, Supplementary Letters Patent were granted by the Secretary of State on April 28, 1936. The resulting change in the capital structure of the Company is reflected in the Balance Sheet.

After deducting $34,192.25 for Depreciation the operations for the year show a profit of $71,801.34 as compared with $41,108.78 last year. Ten per cent. of this amount has been transferred to General Reserve as required by the By-Laws, and after allowing for income and profits, taxes and transferring $8,565.90 to a reserve for amortization of the Company's bonds which mature in 1943, there is a balance of $42,000, which your Directors have determined as being the net earnings for the year available for the payment of dividends on the new preferred shares, in accordance with the terms of the Compromise or Arrangement; these net earnings being sufficient to provide for the regular dividend at the rate of 5% per annum for the period of nine months ended September 30th last and for an additional dividend of 1¼% (25c per share) on account of arrears. Such dividends were accordingly declared on November 25, payable on December 21 to shareholders of record at the close of business on December 9.

An amount of $5,000 has been transferred from General Reserve to Investment Reserve. Your Directors have deemed it advisable to strengthen this reserve on account of the depreciation in value of certain investments.

All inventories have been priced on the basis of cost or market, whichever proved to be the lower.

Your Directors desire to express to the officials and all employees sincere appreciation of their services rendered during the past year.

In accordance with the By-laws, seven of your Directors, Sir George Macdonogh, K.C.M.G., and Messrs. H. N. Baird, E. J. Coyle, J. H. Davey, A. K. Hugessen, K.C., C. R. Petrie and General J. W. Stewart, retire at the ensuing Annual General Meeting and are eligible for re-election.

For the Directors,
J. W. STEWART, President.

Montreal, Que., November 30, 1936.

Consolidated Balance Sheet — September 30, 1936

ASSETS

Current Assets:		
Cash in Bank and on Hand	$ 61,316.11	
Accounts Receivable, less Reserve of $3,000.00 for Doubtful Accounts	214,985.50	
Surrender Value of Life Insurance Policies	3,490.00	
Physical Inventory as certified to by the Management, valued in respect of Manufactured Stock and Goods in Process at Standard Costs estimated by the Management and as to Raw Materials and Supplies at cost	277,317.24	$ 557,108.95
Investments in Property and Securities Carried at Cost, Less Reserve of $25,000.00		12,419.38
Deferred Charges to Operations: Prepaid Insurance, Taxes, etc.		11,343.59
Property Assets: Land at cost, less write-down resulting from expropriation, buildings leasehold, machinery, plant and equipment, at cost, with the exception of certain properties which are carried at a value determined by the Chartered Trust and Executor Company as of November, 1931, $25,000.00 plus subsequent additions at cost		571,952.32
Goodwill, Trade Marks, Patents and Formulae		190,001.00
		$1,342,835.24

Approved on behalf of the Board:
J. EDOUARD LABELLE, K.C., Director.
J. H. DAVEY, Director.

LIABILITIES

Current Liabilities:		
Accounts Payable	$ 50,440.04	
Accrued Liabilities	1,051.67	
Provision for Dominion, Provincial and Other Taxes	16,916.23	$ 68,407.94
Mortgages Payable:		
Due April 1, 1937	$ 4,460.00	
Due March 1, 1938	6,000.00	10,460.00
First Mortgage Ten Year 5½% Sterling Bonds, Due September 1, 1943, £30,000.00		146,000.00
General Reserve		19,299.67
Reserve for Amortization of Bonds		8,565.90
Reserve for Depreciation of Buildings, Machinery and Equipment		184,398.58
5% Cumulative Participating Preferred Stock: Authorized and Issued — 42,000 shares of $20.00 each		840,000.00
Note.—By Supplementary Letters Patent dated April 28, 1936, these shares were converted into a like number from 30,000 to 42,000 and the par value was reduced from $30.00 to $20.00 per share. Unpaid Dividends on the new shares will be $6.75 per share at September 30, 1936. The Dividend rate on the new shares will be increased to 8% when all Arrears of Dividends are fully paid up.		
Common Stock: Authorized and Issued—		
Class "A" 20,860 shares without par value	$104,300.00	
Class "B" 7,140 shares without par value	35,700.00	
	$140,000.00	
of which the total amount was attributed to Surplus	140,000.00	
Capital Surplus		10,087.69
Earned Surplus, Balance at September 30, 1936, as per statement attached		55,515.48
		$1,342,835.24

Consolidated Statement of Profit and Loss and Earned Surplus for the Year Ending September 30, 1936

Profit from operations, before provision for the undernoted items		$ 138,160.36
Income from Investments and Company	$ 1,482.85	
Miscellaneous Income	65.85	1,548.70
		$ 139,709.06
Interest on Bonds and Mortgages	$ 8,715.72	
Directors' Fees	2,400.00	
Executive Salaries	18,845.28	
Legal Fees	3,754.46	33,715.49
		$ 105,993.59
Provision for Depreciation		34,192.25
		$ 71,801.34
Provision for Dominion and Provincial Income and Profits Taxes	$ 14,053.31	
Transferred to General Reserve	7,180.13	21,233.44
		$ 50,567.90
Transferred to Reserve for Amortization of Bonds		8,565.90
		$ 42,000.00
Earned Surplus, Balance September 30, 1935		48,235.44
		$ 90,235.44
Organization Expenses written off	$ 3,239.96	
Dividend paid on Preferred Stock January 15, 1936	31,500.00	34,739.96
Balance of Earned Surplus, September 30, 1936		$ 55,515.48

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of International Paints (Canada) Limited and its Wholly Owned Subsidiary, A. Ramsay & Son Company, and have received the audited accounts of its other wholly owned subsidiary, Stewart and Wood Limited, for the year ended September 30, 1936. We have received all the information and explanations we have required; and we report that, in our opinion, the attached Consolidated Balance Sheet at September 30, 1936, is properly drawn up so as to show a true and correct view of the state of the combined affairs of International Paints (Canada) Limited and its subsidiary companies at that date, according to the best of our information and the explanations given to us, and as shown by the books of International Paints (Canada) Limited and A. Ramsay & Son Company, which we have examined, and the audited accounts of Stewart & Wood Limited.

PRICE, WATERHOUSE & CO., Auditors.

Montreal, November 27, 1936.

Bank Chat

Circulation Cut

NOMINALLY, the chartered banks will lose a further 5% of their authorized note circulation on Jan. 1, 1937. Actually, the reduction has already been made. There will be no sharp decline in the volume of bank notes at the beginning of the year.

Over a period of months, the banks have been whittling away at note circulation, substituting Bank of Canada notes for their own. That is, when additional notes were sent out to certain, specified branches, they were those of the central bank, rather than those of the bank in question, as would have been the case in previous years.

The reduction, which in fact is something more than 5%, as that percentage is lopped off total capital, and not the "95%-of-capital" note maximum now in effect, leaves note circulation of the banks at 90% of capital stock. In practice, this figure is rarely approached. Penalties for exceeding the prescribed maximum are so heavy that it has proved good policy to play safe. Consequently, bankers maintain a "cushion" of about 10%. For all practical purposes, therefore, the note issue of the chartered banks is limited to, roughly, 80% of paid-up capital.

* * *

Note Issue Profits

THIS marks the second of the annual slices to be cut from the chartered banks' note issuing powers, following establishment of the Bank of Canada. In each of the next three years 5% will be removed; in the subsequent five years the annual reduction will be raised to 10%. Thus, in 1941, note circulation of the banks will be restricted nominally to 25%, actually to considerably less, and will so remain "until parliament further enacts."

It will be recalled that when a central bank was being discussed about three years ago, loss of circulation was bewailed by the banks as of major importance. Since then, relatively little has been heard on this score. Perhaps one reason is that note issue is far less profitable than formerly.

The Canadian Bankers Association presented a brief to the Macmillan Commission in 1933 which estimated profit on note issue at 1.6%. This figure, however, was on the basis that money would earn 4½%. Present-day yields are much less than that — so much so that profit from note issuing privilege has fallen probably to less than one-half of 1%.

There is another angle to the reduction in note issue. Double liability on the part of shareholders declines in proportion. In other words, after the beginning of the year, in the unlikely event of one of the banks going insolvent, a shareholder could be assessed for only 90 cents for each dollar of the par value of his stock.

* * *

Bank Taxes

THE directors' report accompanying the financial statement of the Canadian Bank of Commerce points out that for every dollar paid to shareholders, 71½ cents is paid in taxes. It is of particular interest that of a total tax bill of $1,715,000, more than half is contributed in municipal property and business taxes.

Rightly or wrongly, banks have been considered fair game by the taxation authorities. It was to give some indication of the part they play in providing the wherewithal for governments that the banks departed slightly from the usual practice of not disclosing operating exxpenses. All of the banks now publish in their annual statements the amount paid in Dominion and Provincial Government taxes.

Having gone this far, it is difficult to understand why the banks do not present the whole story. If the purpose is to gain a measure of public sympathy, and to show the banks' tax picture in its true perspective, the larger figure the banks show as paid in taxes, the better that purpose will be served. Yet none of the published statements include under taxes the amount paid to municipalities. Only one or two, such as the Commerce, mention it in an accompanying report.

Bank of Canada Weekly Statement

Chartered bank deposits with the Bank of Canada continued to fall in the week ended Dec. 16, the total at that date being $4 millions less than shown in the previous weekly statement. The balance of the Dominion Government declined some $6 millions. Security holdings were unchanged over the week, the offsetting item being reserves in sterling and in the United States which fell more than $8 millions.

Balance Sheet

	Dec. 16 $	Dec. 9 $
Liabilities		
Capital paid up	10,100,000	10,100,000
Notes in circ.	127,174,192	125,315,989
Rest fund	173,092	173,092
Dep.: Dominion	23,650,177	29,408,212
Banks	189,906,021	193,773,441
Other	2,296,500	1,777,073
Total deposits	215,852,698	224,958,726
All other liabs.	3,492,651	3,960,734
Total liabs.	356,792,633	364,508,542
Assets		
Reserve: Gold	179,170,790	179,368,973
Silver bullion	2,020,042	2,011,799
Res. in sterling and U.S.	10,935,063	19,249,440
Total reserve	192,125,895	200,630,212
Subsidiary coin	213,247	185,952
Investments:		
Dom. Govt. short	60,805,267	60,563,957
Other Dom. Govt.	99,360,159	99,489,878
Total invest.	160,165,426	160,053,835
Premises	373,160	372,162
All other assets	3,914,904	3,266,381
Total assets	356,792,633	364,508,542
Reserve ratio	56.00%	57.27%

Weekly Bank Clearings

	Dec. 17 1936 $	Change Year Ago %	Dec. 10 1936 $
Halifax	2,353,357	+ 6.1	2,513,420
Saint John	1,578,733	— 6.8	1,763,665
Moncton	895,985	— 0.5	800,823
Sherbrooke	618,469	+ 4.2	560,801
Quebec	4,630,104	+ 6.3	4,736,640
Montreal	106,397,438	+16.8	113,627,702
Ottawa	16,904,950	— 0.4	30,192,246
Kingston	532,616	— 6.9	596,293
Peterborough	641,263	— 9.5	649,251
Toronto	116,634,679	— 7	127,264,264
Hamilton	5,154,502	+ 6.9	4,801,716
Kitchener	1,141,060	— 2.3	965,489
Brantford	963,416	— 4.5	924,796
London	2,997,263	— 6.5	2,769,162
Chatham	682,752	+ 3.4	617,701
Windsor	3,314,325	+12.9	3,220,697
Sarnia	506,142	— 5.3	540,017
Sudbury	954,720	+18.3	964,078
Fort William	670,062	— 1.7	773,589
Winnipeg	39,656,997	—42.1	37,141,369
Brandon	345,970	+ 6.8	330,484
Regina	3,964,118	—11.6	4,232,233
Moose Jaw	704,687	+ 2.7	716,897
Saskatoon	1,484,842	— 9.1	1,499,466
Prince Albert	364,384	+ 6.7	330,755
Edmonton	4,300,366	— 0.7	4,064,296
Calgary	5,223,569	—24.5	5,996,216
Medicine Hat	196,362	—29.0	229,175
Lethbridge	536,766	+ 0.7	570,171
N. W'minster	597,163	+ 2.6	642,798
Vancouver	18,121,377	+ 8.9	20,362,229
Victoria	1,678,189	+ 1.0	1,839,711

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Canada's Largest Fire Mutual

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United States Fidelity & Guaranty Company
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BRANCHES:
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Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Kelowna
Victoria
Vancouver

Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to $1,098,428. Ask our nearest office for particulars.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000

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What is the feeling of security worth? Those who carry heavy insurance, should not let the matter of a few dollars difference in premium cost tempt them to accept insurance that has not the recognized backing and security so essential to the soundness of the insuring company and to the peace of mind a business man needs and expects.

UNION INSURANCE SOCIETY OF CANTON, LTD.
ASSETS $31,000,000.00
FIRE, AUTO, CASUALTY, MARINE
Head Office for Canada, Toronto
COLIN E. SWORD, *Manager for Canada*
J. W. BINNIE, *Associate Manager* (Montreal)

1936 Earnings Of Commerce Show Advance

Per Share Profits $8.63 — Liquid Position Very Strong

TAXES HEAVY

Reduced outlay for interest on deposits and for administrative expenses considerably more than offset lower loan revenue, the financial statement of the Canadian Bank of Commerce for the year ended Nov. 30, 1936, reveals. As a result, profits advanced for the first time since the advent of depression.

Profits for the year, after taxes and pension fund appropriation, were $2,650,121, equivalent to $8.63 a share on outstanding capital stock. On a comparative basis, 1935 operations resulted in profits of $2,536,411, or $8.45 a share.

The bank's statement this year has been changed to show net profits after deduction of Dominion and Provincial Government taxes, instead of subtracting these from profits as a separate entry. Subscriptions to various philanthropic bodies, amounting to $38,100, have been dealt with in the same way.

From net profits, dividends of $8 a share were paid, leaving surplus for the year of $50,121, compared with a deficit of $13,589 in 1935. Addition of this to previous surplus brings the aggregate carried forward to $715,516.

Details of profit and loss account are as follows:

Income and Surplus Account
Years Ended Nov. 30

	1936 $	1935 $
Net earnings	3,733,043	3,389,032
Less: taxes	823,919	600,000
Pension fund	259,004	252,621
Net profit	2,650,120	2,536,411
Less appropriations:		
Dividends	2,400,000	2,400,000
W/o premises	200,000	150,000
Surplus for year	50,120	*13,589
Prev. surplus	665,395	678,984
Balance carr. fwd.	715,515	665,395

*Deficit.

Strong Liquid Position

The balance sheet is featured by strengthened liquid position. Quick assets, consisting largely of cash items, high-grade securities and call loans, are more than $30 millions above last year's total. They now represent 67% of total liabilities to the public, compared with 63% in 1935. Actual cash at $65.8 millions is about $6 millions higher than a year ago.

The Commerce shared only in small part in the general banking trend of a year which was marked by a flow of funds from loans into securities. On balance, investments of the bank were only $2 millions higher this year than in 1935. There was a sharp decline in Government issues maturing within two years, which was not quite offset by substantial increase in other Government holdings.

Commercial Loans Lower

Current loans in Canada, representing mainly advances for commercial purposes, were $20 millions lower at $145.8 millions; elsewhere, they registered a small increase. Call loans, however, which in large measure reflect activity on security markets, were up $7 millions in Canada and $10 millions elsewhere. The decline in commercial loans results in large measure from liquidation early in the year of some large accounts. A marked upturn in commercial loan demand is reported in more recent months.

Public deposits increased during the year by more than $24 millions, but the advance was confined to non-interest bearing accounts. Elimination of interest on current accounts led to a material increase in no-interest balances and a decline of some $15 millions in those on which payment is made. Deposits of the Federal and Provincial Governments show material reduction.

The bank's balance sheet, with comparative figures for 1935, is as follows:

GENERAL STATEMENT
As at Nov. 30

	1936 $	1935 $
Assets		
Gold in Canada	3,992	3,557
Subsid. coin in Can.	836,473	730,396
Gold elsewhere	10,498	12,924
Subsid. coin else.	318,926	263,272
Notes of Bk. of Canada	5,810,602	4,451,268
Dep. with Bk. of Canada	58,822,611	54,233,831
	65,803,102	59,695,248
Notes of other bks.	965,070	857,100
Cheques on other banks	21,353,883	17,771,315
Foreign currency	903,796	862,112
Due by Can. banks	37,940	67,256
Due by bks. abroad	29,966,061	28,436,595
Call loans in Can.	27,736,500	20,877,672
Call loans elsewhere	24,404,888	14,994,756
	105,368,138	83,866,806
Government secs.*:		
Maturing within 2 years	52,096,813	76,246,967
Other	123,180,334	101,704,773
Candn. mun. secs.*	10,670,781	9,227,922
Public secs., for.*	16,717,586	21,400,010
Other securities*	19,629,614	11,065,999
	222,295,128	219,645,671
Total quick assets	393,466,368	363,207,724
Current loans & discounts		
In Canada	145,772,836	165,473,905
To prov. gov'ts.	7,117,173	6,749,418
To mun. & school dist.	23,073,730	29,307,835
Elsewhere	21,261,394	19,200,848
Non-current loans	3,614,738	3,922,012
	200,839,871	224,654,018
Bank premises	14,791,584	14,415,205
Other real estate	2,748,523	2,423,273
Mtgs. on real estate	1,557,888	2,316,683
Letters of credit	19,000,109	17,077,600
Dep. re circ. fund	1,325,000	1,275,000
Shs. of & loans to subsids.	3,565,890	3,700,611
Other assets	442,670	466,396
	43,431,664	41,674,768
	637,737,903	629,536,511
Liabilities		
To the Public		
Circulation	24,559,751	26,729,072
Deposits by & bal. due to:		
Dominion govt.	876,452	7,909,158
Provincial govts.	9,775,473	15,777,035
Deposits by the public:		
Non-interest bear.	173,606,029	134,020,892
Interest bearing	345,534,082	360,768,425
Due to banks in Canada	1,973,220	1,669,897
To banks abroad	11,043,016	14,243,034
Bills payable	49,755	71,196
Letters of credit	19,000,109	17,077,600
	586,417,887	578,266,309
To the Shareholders		
Dividends	604,500	604,807
Reserve	20,000,000	20,000,000
Capital	30,000,000	30,000,000
Surplus	715,515	665,395
	51,320,015	51,270,202
	637,737,903	629,536,511

*Not exceeding market value.

Personal Loans "Satisfactory"

In a directors report which accompanies the statement, reference is made to the bank's venture into the personal loan field as "satisfactory," although no details have been published. It is possible that more will be said of this phase of the bank's activity at the annual meeting.

In part, the report reads: "By arrangement, the bank has closed 19 branches at places where the volume of business, present and prospective, was inadequate to maintain existing banking facilities, and has transferred its business to local competitors. Conversely, it has absorbed the business built up by other banks at 15 points where a similar situation exists. The volume of new business gained by these exchanges has equalled that which was surrendered. In addition, 20 other offices have been closed and their business consolidated with that of adjacent branches of the bank.

"It is a matter of concern to your directors that despite the reduction in the number of branches through the programme of co-operative consolidation of banking facilities, the total taxes of all kinds paid by the bank tend to increase year by year. Municipal property and business taxes paid in the fiscal year 1936 amounted to $891,800 which sum, added to the taxes collected by the Dominion and Provincial Governments, makes a total tax burden in Canada of over $1,750,000. In other words, for every dollar the bank has paid in dividends to its shareholders it has paid in Canadian taxes 71½ cents. In addition the shareholders, of course, are required to pay a personal income tax on the dividends so received."

Seven Bank Branches Closed in November

Seven branches of Canadian chartered banks were closed in November, and announcement was made of two new offices, bringing the total at the month end to 3,506, compared with 3,511 at the beginning of the month. This total comprises 3,359 branches in Canada, 25 in Newfoundland and 122 elsewhere.

The new offices are a Dominion branch at Geraldton, Ont., and a Nationale at Val d'Or, Que. Branches closed were:

Royal Bank
Mount Elgin, Ont.
Sargent & Arlington, Winnipeg, Man.
Woodlawn, Ont.
Bank of Commerce
Mankota, Sask.
Rabbitt Lake, Sask.
Imperial Bank
Brampton, Ont.
Bank of Toronto
Chaplin, Sask.

Ensign Insurance Co. Raises Dividend Rate

Ensign Insurance Co. has increased its dividend rate from 5% to 6%. Directors of the company, meeting last week, declared a dividend of $1.50 a share for the last half of 1936, compared with a former rate of $1.25. In addition to the dividend declaration, 25c. a share will be distributed to bring the payment for the first half of 1936 up to the new $1.50 rate. The payments will be made Jan. 2, 1937, to shareholders of record Dec. 31, 1936.

The Dominion Fire Insurance Co. has declared a regular half-yearly dividend of $3 a share and a bonus of $2 a share, both payable Jan. 2, 1937, to shareholders of record Dec. 31, 1936.

Staff Changes

The Royal Bank has announced the following staff changes:

E. G. W. ALLWOOD, formerly accountant at Stanley St., Montreal, to be manager at Queen Mary & Decarie, Montreal.

J. THOMSON, formerly manager at Campbellton, N.B., to be manager at Point St. Charles, Que.

H. A. CHANNELL, formerly assistant manager at Hamilton, to be manager at Barton & Wentworth, Hamilton.

E. D. LUCAS to be manager at Kingsville, Ont.

J. K. McKENZIE, formerly manager at St. Charles, Montreal, to be manager at Sherbrooke & Decarie, Montreal.

A. S. McKAY to be assistant manager at Hamilton.

W. G. HOLMES to be accountant at Toronto.

W. A. HAND F. B. PIDGEON J. J. O'GRADY

CONFEDERATION APPOINTMENTS

Confederation Life Association has announced the appointment of J. J. O'Grady and F. B. Pidgeon as supervisors of group sales for the company. Mr. O'Grady will have charge of the company's eastern division and Mr. Pidgeon of central division. Mr. Hand has been appointed registrar of the company's agency division.

Protect Insurers In U.S. Reciprocal

The Financial Post is advised that measures have been taken to ensure that Canadian policyholders in the Manufacturing Lumbermen's Underwriters, a Missouri reciprocal which recently went into voluntary bankruptcy, will be fully protected.

Four states are at present making an investigation into the affairs of the exchange, and it is believed probable it will be found to be solvent. Forecasts predict that examination will reveal a surplus of $480,000.

Meanwhile, the Missouri insurance department has issued an order, effective Jan. 14, 1937, forcing all reciprocals to cease renewal, insurance or inter-exchange of non-participating and non-assessable contracts.

Merchants Sold To Economical

Cash Mutual Plans to Absorb Casualty Company —Waits Ratification

Directors of the Merchants Casualty Insurance Co. have approved an offer submitted by the Economical Mutual Fire Insurance Co. for purchase of its business. Before the deal is completed, however, it will have to be ratified by shareholders of the Merchants Casualty at a special meeting to be held in about a week's time.

The Economical Mutual, one of the Ontario cash mutuals, was granted a federal certificate of registry about a year ago authorizing it to transact certain miscellaneous casualty lines as well as fire insurance. Since then some weather insurance has been written and it is planned to write plate glass business next year. Automobile and accident and sickness insurance was not included in this license, however, and if the proposed purchase goes through, the underwriting scope of the mutual will be widened considerably. The Merchants Casualty limits its business to these two lines.

While the Economical will renew existing business of the Merchants in other provinces, no material effort will be made in the immediate future to extend the company's business beyond Ontario.

The Merchants Casualty Insurance Co. was originally incorporated in 1913 as the Merchants Casualty Co., business being transferred to the present company in 1924. It is a relatively small company with total assets of $256,057. Liabilities at the end of 1935 amounted to $169,020. Of authorized capitalization of $2 millions, $531,600 has been subscribed and $146,400 paid up in cash.

Net premiums written on all classes of insurance in 1935 amounted to $313,145, and net losses incurred $156,845. Overhead has been quite heavy, however, and total losses and expenses for the year amounted to $329,564.

Niagara Fire Agents Elect New Officers

At the recent annual meeting of the Niagara District Fire & Casualty Insurance Agents' Association the following officers were elected for the year: Hon. president, O. L. Steele, Port Colborne; president, F. E. Coyne, Welland; vice-president, G. C. Horne, St. Catharines; secretary-treasurer, Hugh Reilly, Welland; executive committee, R. C. Young, A. P. McAvoy, G. C. Glenny and S. O. Mason.

THE SURVIVAL OF THE FITTEST

Time weeds out the weak. Because of its firm foundations, high principles, judicious management, good reputation for prompt settlement of claims and sound financial position during the fifty-five years it has operated, the "Employers" has firmly established itself as a leader in the insurance field.

FOUNDED 1880

THE EMPLOYERS'
Liability Assurance Corporation
Limited, of London, England
FIRE AUTOMOBILE CASUALTY

Sales at Peak In Insurance

Life Business Hits Four-year High on Western Selling

Life insurance sales in Canada made the best showing of the year to date with a 7½% gain in November over the same month last year.

The figures are for new ordinary life insurance in Canada and Newfoundland and are exclusive of annuity and pension bond sales. They are compiled by Sales Research Bureau from returns of companies having 90% of the business in force in that territory.

Eight of the nine provinces showed increases to achieve the total of $37.8 millions which is the highest monthly total since mid-summer of 1932. Ontario sales, over $16 millions and Quebec nearly $10 millions, were up 3½% and 9½% respectively but the highest percentage gain came in the west. Alberta chalked up a 40% gain and Saskatchewan an increase of 29%. The gain in B. C. was 8% while Maritime increases ranged from 8 to 14%.

Sales by Areas

	Nov. '36	Nov. '35	Oct. '36
Alta.	1,750	1,251	1,407
B. C.	2,835	2,620	2,216
Man.	2,059	2,137	1,773
N. B.	979	906	728
N. S.	1,434	1,256	1,124
Ont.	16,159	15,599	12,908
P. E. I.	150	138	201
Que.	10,464	9,540	7,829
Sask.	1,704	1,320	1,653
Nfld.	279	391	253

ROMEO QUESNEL has been appointed agency supervisor for Metropolitan Life in Greater Montreal and Eastern Quebec.

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE • WATERLOO, ONTARIO

Give your boy or girl a real start in life with a Life Insurance Estate. Details of this Character Building plan are described in our booklet "GOOD COMPANIONS." Write for free copy.

FIRST POLICY ISSUED 1889

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.* HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

ESTABLISHED IN 1850 ÆTNA SYMBOL OF SECURITY

The Ætna Life Insurance Company, writing Life, Group, and Accident insurance, has been a Canadian institution since 1850 . . .

CALGARY • MONTREAL • TORONTO • VANCOUVER • WINNIPEG

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE - TORONTO

STATEMENT OF THE RESULT OF THE BUSINESS OF THE BANK FOR THE YEAR ENDING 30th NOVEMBER, 1936

Balance of Profit and Loss Account, brought forward from last year	$ 665,394.79	These profits have been appropriated as follows:	
Net Profit for the year ended 30th November, 1936, after making appropriations to Contingent Reserve Fund, out of which Fund full provision for bad and doubtful debts has been made, and after deducting Dominion and Provincial Government Taxes paid (including tax on note circulation) amounting to $823,919.39	2,909,124.40	Dividends Nos. 196, 197, 198 and 199, at eight per cent. per annum	$2,400,000.00
		Transferred to Pension Fund	259,003.67
		Written off Bank Premises	200,000.00
			$2,859,003.67
		Balance carried forward	715,515.52
	$3,574,519.19		$3,574,519.19

GENERAL STATEMENT
30th NOVEMBER, 1936

LIABILITIES

Notes in circulation		$ 24,559,751.25
Deposits by and Balances due to Dominion Government	$ 876,451.95	
Deposits by and Balances due to Provincial Governments	9,775,473.46	
Deposits by the public not bearing interest	173,606,028.81	
Deposits by the public bearing interest, including interest accrued to date of statement	345,534,081.62	
Deposits by and Balances due to other chartered Banks in Canada	1,973,219.67	
Deposits by and Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	11,043,016.22	
		542,808,271.73
Advances from Bank of Canada, secured		*Nil*
Bills Payable		49,755.31
Acceptances and Letters of Credit outstanding		19,000,109.08
TOTAL LIABILITIES TO THE PUBLIC		$586,417,887.37
Dividends Declared and Unpaid	$ 4,500.15	
Dividend No. 199, payable 1st December	600,000.00	
Capital Paid up	30,000,000.00	
Rest or Reserve Fund	20,000,000.00	
Balance of Profits as per Profit and Loss Account	715,515.52	
TOTAL LIABILITIES TO SHAREHOLDERS		51,320,015.67
		$637,737,903.04

ASSETS

Gold held in Canada	$ 3,992.02	
Subsidiary Coin held in Canada	836,472.95	
Gold held elsewhere	10,498.03	
Subsidiary Coin held elsewhere	318,926.32	
Notes of Bank of Canada	5,810,602.25	
Deposits with Bank of Canada	58,822,611.16	
Notes of other chartered Banks	965,070.00	
Government and bank notes other than Canadian	903,796.23	
		$ 67,671,968.96
Cheques on other Banks	$ 21,353,882.96	
Deposits with and Balances due by other chartered Banks in Canada	37,939.70	
Due by Banks and Banking Correspondents elsewhere than in Canada	29,966,060.56	
		51,357,883.22
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value		52,096,812.73
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value		123,180,334.19
Canadian Municipal Securities, not exceeding market value		10,670,781.59
Public Securities other than Canadian, not exceeding market value		16,717,585.73
Other Bonds, Debentures and Stocks, not exceeding market value		19,629,613.96
Call and Short (not exceeding 30 days) Loans in Canada on Stocks, Debentures, Bonds and other Securities of a sufficient marketable value to cover		27,736,499.73
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities of a sufficient marketable value to cover		24,404,887.60
Deposit with the Minister of Finance for the security of the Note Circulation		1,325,000.00
TOTAL QUICK ASSETS		$394,791,367.71
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		145,772,835.74
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for		21,261,393.63
Loans to Provincial Governments		7,117,173.19
Loans to Cities, Towns, Municipalities and School Districts		23,073,730.01
Non-current Loans, estimated loss provided for		3,614,738.15
Liabilities of Customers under Acceptances and Letters of Credit, as per contra		19,000,109.08
Real Estate other than Bank Premises		2,748,523.47
Mortgages on Real Estate sold by the Bank		1,557,888.37
Bank Premises at not more than cost, less amounts, if any, writen off		14,791,583.81
Shares of and loans to controlled companies		3,565,889.89
Other Assets not included under the foregoing heads		442,669.99
		$637,737,903.04

JOHN AIRD, President S. H. LOGAN, General Manager

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the above statement of assets and liabilities as at 30th November, 1936, and compared it with the books at the Head Office and with the certified returns from the branches. We have checked the cash and examined the securities and investments of the Bank at the chief office in Toronto and at certain of the principal branches as at the close of business on 30th November, 1936.

We have obtained all the information and explanations that we required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank, and we report that, in our opinion, the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, C.A., of Peat, Marwick, Mitchell & Co.
C. S. SCOTT, F.C.A., of C. S. Scott & Co.
Auditors

Toronto, 18th December, 1936.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 21

Range 1936 High	Low	Div R'te $	Dec19 Y'ld %		Sales	Last Dec. 14	Week end. Dec. 21 H	L	Cl'se
				A					
4⅞	1¼	.	...	Abitibi	30150	4⅜	4⅝	4⅛	4½
37	6½	.	...	Do. pref. 6%	9920	32½	35½	32	32½
77½	49½	.	...	Do. pref. 7%	77	60	69½	60	60
36½	6½	.	...	Do. cert. dep.	1365	35	34½	32	33
5	4½	10c	...	Acadia Sugar	....	(5 bid 5½ asked)			
21	14½	50c	2.7	Acme Glove	52	19⅞	18⅞	18	18
100	94	6.50	6.9	Do. pref.	10	94	94½	94½	94½
10	7½	40+20c	7	Agnew Surp.	160	8½	8½	8½	8½
110	100	7	6.5	Do. pref.	25	107	107	106½	107
6	2	.	...	Alta. Pac. Gr.	4845	2⅞	5½	3	4½
39	19	.	...	Do. pref.	975	24	33	25	27
54½	54½	.	...	Aluminium	....	(54½ Sept. 24)			
6	2	.	...	Amal. Electric	20	6	6	6	6
29	14	.	...	Do. pref.	10	26	26	26	26
40½	29½	60+40c	.	Amer. Cyn. B.	5	39	34	34	34
56	51½	3.50	6.6	Ang. C. Tel., p.	39	54½	54	53	54
120	17½	.	...	Asbestos v. t.	7982	107	120	109	115
15	9½	60+25c	.	Assoc. Brew.	445	12	12	11	12
110	103	7	6.4	Do. pref.	35	109⅞	110	110	110
8½	7½	.	...	Assoc. T. & T. A	....	(— bid 8½ asked)			
57½	34	66c	...	Do. pref.	....	(— bid 59 asked)			
				B					
60	51½	2.25	3.9	Bank of Canada	177	57⅞	58⅞	58	58
142	133	8	5.7	Bk. Can. Nat.	55	142	142	141	142
222	182½	8	3.6	Bk. Montreal	832	213	222	214	220
318	271	12	3.8	Bk. N. Scotia	74	312	317	310	317
254	220	10	4	Bk. Toronto	61	250½	254	250	254
13½	5	75c	..	Barcelona	....	(4½ bid 7 asked)			
18½	10½	.	...	Bathurst Pr.	18602	16½	18	16⅞	17⅞
8	3	.	...	Do. (B)	1840	7	7½	6	7
4½	1	.	...	Bawlf Grain	3515	2½	4½	2½	2⅞
38	20	.	...	Do. pref.	78	23½	30	28	33½
5	2½	.	...	Beath & Sons	....	(4 bid 5 asked)			
16⅞	9½	.	...	Beatty Bros. A.	915	14½	16⅞	14½	16½
107	96	6	5.8	Do. pref.	35	103	104	103	104
7½	1½	.	...	Beauharnois	25720	5	7½	5	6⅞
110	97½	4	4.1	Belding Cort.	....	(107 bid — asked)			
145	126½	7	5.4	Do. pref.	....	(126 bid 135 asked)			
160½	140	6	3.7	Bell Telephone	607	159⅞	160½	159	160½
58	30	2.25	...	Biltmore Hats	....	(53 bid 65 asked)			
110	109	7	6.4	Do. pref.	10	110	110	110	110
5	3	.	...	Bissell, T. E.	40	4	4	4	4
50	33	.	...	Do. pref.	....	(35 bid 45 asked)			
5	2⅞	.	...	Blue Ribbon	60	4	4	4	4
36	27	2	5.9	Do. pref.	40	33⅞	33	33	33
28	25½	32½c	..	Brant. Cord. pf.	200	26½	26½	26½	26½
18⅞	9½	40c	...	Brazilian Tr.	15104	18½	18⅞	17⅞	17½
1.45	.70	1♦	...	Brew. & Distil.	5098	.75	.85	.75	.85
8	7½	.	...	Do. new	30	..	8	7½	7½
4½	1⅞	.	...	Brewing Corp.	9355	2½	2½	2	2½
18½	10⅞	1.50	10.7	Do. pref.	1585	14	14	13	14
9	5	30c	5	Bright, T. G.	25	6	4	4	4
82	75½	6	7.9	Do. pref.	10	75½	75½	75½	75½
27⅞	16½	80c	3.5	Brit. Amer. Oil	10945	22⅞	23	22	22½
22½	8	.	...	B. C. Packers	3828	13½	22½	13½	19
38½	28½	1.60	4.2	B. C. Power A.	1683	36½	38	36⅞	37½
9	3½	.	...	Do. (B)	1594	7⅞	8½	8	8½
16	7	40c	...	Bruck S. Mills	1265	7⅞	8½	7	8½
58½	33	1.40+50c	.	Building Prod.	1035	57	58½	56	57
9⅞	6½	.	...	Burry Biscuit	350	8	8	7⅞	7⅞
75	51	3	4.2	Do. pref.	....	(66 bid 75 asked)			
47⅞	37½	2	4.5	Burt, F. N.	505	45½	44½	44	44
				C					
120	120	.	...	Calgary Power	....	(120 Sept. 28)			
86½	74½	6	7.8	Do. pref.	....	(75 bid — asked)			
8⅞	4½	.	...	Canada Bread	1115	8½	8⅞	8	8
104½	90	5	4.8	Do. pref.	....	(102½ bid 104 asked)			
50	30	62½c	...	Do. pref. B	25	49½	50	50	50
10½	6½	40c	...	Canada Bud	705	8⅞	8⅞	8½	8½
14⅞	6	.	...	Canada Cement	4030	12⅞	13½	12⅞	13
103	58	.	...	Do. pref.	937	100½	101½	100	100½
69⅞	57	1.50	2.2	C. & D. Sugar	70	69	68	68	68
b25⅞	10½	.	...	Canada Dry	102100	24	25⅞	22⅞	25½
20½	3	.	...	Can. Forg. (A)	591	18	20	18½	20
14½	2	.	...	Do. (B)	130	14	14	14	14
50	30	.	...	Canada Iron	....	(30 bid — asked)			
60	51	3	5.3	Do. pref.	....	(65 bid — asked)			
37½	30½	1.50+50c	.	Can. Malting	950	36	35½	34½	35
29	22½	1.20	4.7	Can. Nor. Pr.	1391	25½	26	25½	26
112½	107⅞	7	6.3	Do. pref.	446	109½	111⅞	110	110
93	80	3	3.4	Can. Packers	240	89	88	85	88
118	105	.	...	Can. Paper, pf.	....	(112½ bid — asked)			
2½	1⅞	.	...	Can. Paving, pf.	....	(2½ bid 6 asked)			
160	120	8	5.6	Can. Perman.	17	144	144	142	144
14	14	.	...	Can. Starch	....	(24 bid — asked)			
95	95	7	7.4	Do. pref.	....	(99½ bid — asked)			
3½	1	.	...	Can. Steamsh's	305	2½	2½	2	2½
15½	5⅞	.	...	Do. pref.	761	6	6½	6	6½
27½	19½	1.20	6	Can. Vinegars	225	20	20	19½	20
55	20½	.	...	Can. W. Cable	145	48	55	50	55
22	9	.	...	Do. (B)	55	18	19⅞	18	19⅞
116	98½	2.75▲	...	Do. pref.	....	(115½ Nov. 13)			
4½	2	.	...	Can. Bakeries	15	3½	4½	4½	4½
62	40	.	...	Do. pref.	....	(60 bid 63 asked)			
187	148	8	4.4	Can. Bk. Com.	385	173	187	171	187
56	31	1+75c	...	Can. Bronze	1520	54	56	54⅞	55½
108½	101½	5	4.6	Do. pref.	20	107	108	108	108
9⅞	4	.	...	Can. Canners	560	8½	9	8½	9
105	88⅞	6	5.8	Do. 1st pfd.	130	104	104	102	103
12½	5	.	...	Do. 2nd pfd.	1000	11⅞	11½	10½	10½
19⅞	5½	.	...	Can. Car & Fd'y	14085	19	19⅞	17⅞	18
29½	13	.	...	Do. pref.	5315	29	29½	27⅞	28½
31½	25½	40c	...	Can. Celanese	915	26½	26	25⅞	26
130½	112	7	5.5	Do. pref.	12	126½	126	126	126
22	18	.	...	Do. Rights	205	22	22	22	22
30	21½	2	6.7	Can. Convert.	48	28	30	30	30
58⅞	48	4	6.8	Can. Cottons	35	58	58⅞	58	58⅞
106½	97	6	5.8	Do. pref.	230	103	105	104	104
50	37	2+1	6.5	Can. Dredge	420	46½	46½	45	45
101	98⅞	6	6	Can. Fairb. pf.	....	(100 bid — asked)			
34	23½	1.60	6.4	Can. For. Inv.	40	25	25	25	25
107½	105	8	7.6	Do. pref.	10	107	105	105	105
205	150	5	2.4	Can. Gen. Elec.	....	(199½ bid — asked)			
10	7½	50c	...	Can. G. Inv.	....	(10 bid — asked)			
75	26	.	...	Can. Hyd. El. p	1843	72½	74	71½	71½
12½	6½	.	...	Can. Ind. Alc.	23075	7	7⅞	6⅞	6⅞
11½	5	.	...	Do. (B)	2655	6½	7	6	6½
225	221	4.25	...	Can. Indust. B.	....	(222½ Sept. 21)			
5	1	.	...	Can. Int. I. Tr.	360	4	5	4½	4½
91	35	.	...	Do. pref.	228	91	91	90	91
23	19⅞	1	4.8	Can. Lt. & Pr.	....	(20 bid — asked)			
25	1	.	...	Can. Locomo.	2376	22	25	16	19
b3½	1½	.	...	Can. Marconi	12380	1⅞	2	1⅞	1⅞
18	11½	50c	4.2	Canadian Oil	135	11½	12½	11½	12
142	120	8	6.5	Do. pref.	10	122	122	122	122
15⅞	10⅞	.	...	Can. Pacific	6927	13½	13½	12⅞	12⅞
3	⅞	.	...	C. Pr. & Pa. In.	486	2½	2⅞	2½	2½
12⅞	4½	.	...	Do. pref.	....	(13½ bid — asked)			
16½	1½	.	...	Can. Vickers	850	13½	13½	11½	11½
68	12	.	...	Do. pref.	....	(45 bid — asked)			
30½	24	1.25	...	C. Wallpaper A	....	(— bid 30 asked)			
32	24½	1.25	...	Do. (B)	65	27½	30	30	30
80½	64	2	3.1	Can. West.'ho'se	....	(65 Dec. 2)			
3½	1	.	...	Can. Wineries	620	2½	3	2⅞	2⅞
26½	21	1.50	...	Can. Wire Box.	190	24	24½	24	24
9⅞	4½	.	...	Capital Estates	694	9½	9⅞	9½	9⅞
104	100	5	4.8	Carnation, pfd.	25	103½	104	103⅞	104
11½	2½	25c	...	Catelli Food	21	8	8½	8½	8½
15	10	75c	...	Do. pref.	....	(10 bid 13 asked)			
165	150	8	5.3	Cent. Can. L'n.	....	(150 bid 195 asked)			
1.60	.75	.	...	Chem. Research	35503	1.18	1.55	1.18	1.25
3½	1	.	...	City Gas & El.	970	1⅞	1⅞	1½	1½
.75	.15	.	...	Claude Neon	650	.45	.50	.45	.45
15	12½	96c	...	Coast Brew.	80	13½	14½	13½	13½
10⅞	5½	.	...	Cockshutt Plow	7050	9⅞	10½	9⅞	10⅞
4.50	.60	.	...	Comm. Alcohol	3045	3.75	4.50	3.25	3.75
23	15⅞	80c	...	Cons. Bakeries	1868	20½	21⅞	19⅞	21⅞
9½	2	.	...	Cons. Paper	19936	8⅞	9	8	8⅞
13	5	.	...	Cons. Press	85	12	13	12½	13
45	32	.	...	Cons. Sand. pf.	5	43	42	42	42
80⅞	51	50c+1	..	Cons. Smelters	14917	75½	80⅞	77	78⅞
209	189	10	4.8	Consumers' Gas	102	208	209	205	206
91	78	7	7.9	Corr. P. Box, p.	....	(89 bid 90 asked)			
27½	17½	80c	3.2	Cosmos Imp.	130	25	25½	24½	25
106½	102	5	4.7	Do. pref.	5	106½	106	106	106
21½	15	80+20c	.	Crown Cork	375	18½	18½	17½	18
2⅞	1⅞	.	...	Crown Dom. Oil	....	(1⅞ bid 1⅞ asked)			
56	30	7	...	Crow's N. Coal	15	50	50	50	50
				D					
4	2	.	...	David & Fre. A	....	(2½ bid — asked)			
1.25	.50	.	...	Do. (B)	....	(.90 bid 1.00 asked)			
21	2	.	...	De Havilland	90	17½	18	17½	18
72	40	.	...	Do. (A)	....	(— bid — asked)			
5⅞	3	.	...	Disher Steel	....	(4 bid — asked)			
16	7½	.	...	Do. pref.	....	(12 bid 16 asked)			
[illegible]	18½	.	...	Distill-Seagram	25830	25⅞	28⅞	26	26⅞
[illegible]	190	10	4.3	Dom. Bank	38	224	230	225	230
[illegible]	32	1.20	2.1	Dom. Bridge	2806	57	58	54½	55
[illegible]	14	1.50	7.2	Dom. Coal, pf.	2566	21½	21	20	20½
[illegible]	26½	.	...	Dom. Engineer.	265	60	60	60	60
[illegible]	32	.	...	Dom. Foundries	....	(80 bid — asked)			
[illegible]	106	5	4.5	Dom. Glass	....	(106½ bid 112½ asked)			
[illegible]	135	7	4.6	Do. pref.	50	152	152	150	150
[illegible]	33	.	...	Dom. Oilcloth	....	(42 bid — asked)			
[illegible]	95	7	6.8	Dom. Rubber, p	....	(99 bid — asked)			
[illegible]	3⅞	.	...	Dom. St. & C.B.	20709	11½	12⅞	10⅞	11
[illegible]	8	.	...	Dom. Stores	2260	12	12½	11	11
[illegible]	4⅞	.	...	Dom. Tar & Ch	3862	15	16½	14⅞	15
[illegible]	57	.	...	Do. pref.	510	109	110	107	109
[illegible]	60	5	7.2	Dom. Textile	402	71	72½	70	72
[illegible]	142	7	4.6	Do. pref.	....	(— bid 150 asked)			
[illegible]	4⅞	.	...	Donnacona P.A.	5900	14	14½	13½	13½
[illegible]	2½	.	...	Do. (B)	1240	12	14	12½	12½
[illegible]	4⅞	.	...	Dryden Paper	1235	13½	13⅞	13	13
				E					
[illegible]	1	.	...	East. Koot. Pr.	....	(— bid 3 asked)			
[illegible]	5	.	...	Do. pref.	37	13	12	11	11½
[illegible]	1½	.	...	East. Dairies	275	2½	3	2½	2⅞
[illegible]	8½	.	...	Do. pref.	20	18	17	17	17
[illegible]	10	1	...	East. Steel	80	19⅞	18½	18½	18½
[illegible]	80	7	6.6	Do. pref.	25	108	106	106	106
[illegible]	72⅞	7	8.7	East. Theat. pf.	....	(— bid 84 asked)			
[illegible]	1½	.	...	Easy Washing	230	5	5	5	5
[illegible]	20	1	...	Economic Inv.	480	30	35	30	33
[illegible]	19⅞	1.60+30c	...	Electrolux	3462	23½	25	23½	24
[illegible]	1	.	...	Enam. & Heat.	300	3⅞	4	4	4
[illegible]	5½	.	...	Equitable Life	5	5½	5½	5½	5½
[illegible]	10½	.	...	Eng. Electric	320	39	33	31	32
[illegible]	4	.	...	Do. (B)	170	14½	15½	14½	15½
[illegible]	7	60c	...	European El. A	....	(— bid 12 asked)			
[illegible]	.15	.	...	Do. Warrants	....	(.25 bid — asked)			
				F					
[illegible]	7½	.	...	Fairchild Air.	7440	8½	8⅞	7½	8
[illegible]	18	60c	...	Fam. Players	32	22½	25	24½	25
[illegible]	14	60c	...	Do. Vot. Tr.	3	18	19	19	19
[illegible]	13½	50+37½c	.	Fanny Farmer	2270	22⅞	22⅞	21⅞	22
[illegible]	18½	1	4.5	Ford Motors A.	8927	21⅞	22⅞	21½	22⅞
[illegible]	.65	.	...	For. Pr. Secs.	350	1.50	1.50	1.50	1.50
[illegible]	13	.	...	Foundation Co.	2185	24½	25⅞	24	24
[illegible]	9	.	...	Fraser Cos.	957	30½	32⅞	29	29
[illegible]	8	.	...	Do. Vot. Tr.	10601	30½	33	30½	30⅞
[illegible]	37	6	...	Freiman, pf.	15	38	39	38	38
[illegible]	2⅞	.	...	Frost Steel	20	6½	6½	6½	6½
[illegible]	88	5.25	...	Do. pref.	....	(99 bid — asked)			
				G					
[illegible]	3	.	...	Gen. St. Wares	1950	7½	8	7½	7½
[illegible]	45	.	...	Do. pref.	500	75	76	75	75
[illegible]	64½	2.50	2.9	Goodyear Tire.	400	86	88	86	88
[illegible]	53½	2.50	4.4	Do. pref.	145	56⅞	56⅞	56½	56½

Government Bonds

December 23, 1936

Dominion of Canada Bonds

			Dec. 23 Bid	Asked	Approx. Yield	Dec. 16 Bid
†‡Dominion	5	1 Mar. 1937	100.50	101.00	.20	100.65
‡Dominion	5½	1 Dec. 1937	103.85	104.35	.83	104.00
Dominion	2½	15 Oct. 1939	103.00	103.50	1.24	103.00
Dominion	4	15 Oct. 1939	107.00	107.50	1.29	107.00
Dominion	2	15 Nov. 1939	102.00	102.50	1.13	102.00
Dominion	1½	1 June 1940	100.15	100.65	1.31	100.15
Dominion	4½	1 Sept. 1940	109.50	110.00	1.72	109.50
Dominion	1	15 Mar. 1941	98.00	98.50	1.36	98.00
Dominion	5	15 Nov. 1941	113.35	113.85	2.02	113.50
Dominion	3	15 Oct. 1942	105.00	105.50	1.99	105.00
Dominion	2½	1 June 1943	102.15	102.65	2.06	102.15
Dominion	5	15 Oct. 1943	114.50	115.00	2.59	114.50
Dominion	4½	15 Oct. 1944	113.00	113.50	2.58	113.15
▪Dominion	2¾	15 Aug. '43-45	100.85	101.35	2.28▲	101.15
Dominion	4	15 Oct. '43-45	109.40	109.90	2.42▲	109.50
Dominion	4½	1 Feb. 1946	113.00	113.50	2.80	113.15
Dominion	3½	15 Oct. '44-49	105.35	105.85	2.67▲	105.75
Dominion	4	15 Oct. '47-52	109.00	109.50	2.96▲	109.00
Dominion	3	1 June '50-55	101.00	101.50	2.86▲	101.00
Dominion	4½	1 Nov. '46-56	111.85	112.35	3.06▲	112.00
Dominion	4½	1 Nov. '47-57	112.00	112.50	3.14▲	112.25
Dominion	4½	1 Nov. '48-58	112.50	113.00	3.18▲	112.65
Dominion	4½	1 Nov. '49-59	112.75	113.25	3.24▲	112.80
▪Dominion	3¼	15 Jan. '56-61	103.15	103.65	3.00▲	103.50
Dominion	3¼	1 June '56-66	102.00	102.50	3.08▲	102.00
♦Dominion	3	Perp. bonds	96.40	97.00	3.09	96.65
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	101.00	102.00	2.87	101.00
Can. N. Ry.	3	1 May 1944	103.25	104.25	2.37	103.75
Can. N. Ry.	3	15 Dec. '45-50	100.25	101.25	2.84▲	100.75
Can. N. Ry.	3	15 Feb. '48-53	100.00	101.00	2.90▲	100.25
*Can. N. Ry.	4½	1 Sept. 1951	115.50	116.50	3.11	115.50
*Can. N. Ry.	4½	1 Feb. 1956	115.75	116.75	3.32	115.75
†Can. N. Ry.	4½	1 July 1957	115.00	116.00	3.40	115.00
*Can. N. Ry.	4¾	15 June 1955	117.75	118.75	3.37	118.00
Can. N. Ry.	5	1 Feb. 1954	119.00	119.75	3.50	118.75
*Can. N. Ry.	5	1 July '44-69	118.25	119.25	2.76▲	118.25
*Can. N. Ry.	5	1 Oct. '49-69	120.25	121.25	3.29▲	120.25
*M. Harb. C.	5	1 Nov. '49-69	120.75	121.75	3.25	120.50
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1954	103.50	104.50	3.65	103.50
†N. Bruns.	4½	15 Apr. 1961	110.75	111.50	3.76	110.50
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.92	115.50
N. Scotia	3	2 Sept. 1945	100.25	101.25	2.83	100.00
N. Scotia	4½	15 May 1943	108.00	109.00	2.96	108.00
†N. Scotia	4½	15 Sept. '47-52	111.50	112.50	3.14▲	111.50
†N. Scotia	5	1 Mar. 1960	118.00	119.00	3.77	117.75
*Ontario	4	1 June 1962	108.00	109.50	3.44	108.00
*Ontario	4½	1 Sept. 1944	113.25	114.25	2.46	113.25
Ontario	4½	1 June 1950	112.50	113.50	3.25	112.00
*Ontario	4½	15 Jan. 1962	115.50	117.00	3.48	114.50
Ontario	5	15 Oct. 1948	115.75	116.75	3.30	115.50
*Ontario	5	2 Dec. 1960	121.50	123.00	3.56	112.00
Ontario	5½	1 July 1946	116.75	117.75	3.30	116.50
O. H. C.	3½-4-5	1 Oct. '36-52	100.00	101.00	.50▲	100.00
Ont. Hyd. C.	4¾	1 Jan. 1970	118.00	119.00	3.75	118.00
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar. 1952	108.00	109.00	3.25	108.00
Quebec	4½	1 Aug. 1958	111.50	112.50	3.44	111.50
Quebec	4½	2 Jan. 1963	113.75	114.75	3.63	113.50
Western—						
Alberta	4	15 Dec. '49-54	67.00	70.00	§	68.00
†Alberta	4	1 Dec. 1957	69.00	73.00	§	70.00
Alberta	4½	1 Oct. 1951	77.00	80.00	§	74.00
†Alberta	4½	1 Oct. 1956	72.50	75.00	§	73.00
†Alberta	5	1 Jan. 1948	73.00	75.50	§	74.00
Alberta	5	1 Sept. 1955	73.00	75.50	§	74.00
*Alberta	5	1 Oct. 1959	73.00	75.50	§	74.00
†Alberta	5½	1 Jan. 1947	73.00	75.50	§	74.00
Alberta	6	1 Mar. 1947	73.00	75.50	§	75.00
†Brit. Col.	4	1 Dec. 1957	92.50	94.50	4.40	93.00
*Brit. Col.	4½	15 Jan. 1951	97.50	99.50	4.55	97.50
†Brit. Col.	4½	1 Oct. 1953	97.50	99.00	4.59	97.00
†Brit. Col.	5	15 Jan. 1948	99.50	100.50	4.94	99.00
Brit. Col.	5	1 Sept. 1953	99.00	100.00	5.00	98.50
Brit. Col.	5½	1 Feb. 1945	101.00	102.00	5.19	100.00
Brit. Col.	6	15 Feb. 1947	101.50	102.50	5.67	100.50
Manitoba	4	2 Jan. 1950	89.00	91.00	4.95	90.00
†Manitoba	4	1 Dec. 1957	91.00	92.00	4.60	91.00
†Manitoba	4½	15 Dec. 1956	93.00	94.50	4.94	92.00
†Manitoba	5	15 June 1954	98.50	100.00	5.00	98.00
*Manitoba	5	2 Dec. 1959	99.00	101.00	4.92	99.00
Manitoba	5½	1 Oct. 1955	98.00	100.00	5.50	98.00
Manitoba	6	1 Apr. 1947	99.00	100.50	5.94	99.50
Sask.	4	15 Aug. 1953	80.00	82.00	5.66	79.50
Sask.	4	1 Nov. '55-60	79.00	81.00	5.42	79.00
*Sask.	4½	2 July 1945	91.50	93.00	5.55	91.00
†Sask.	4½	1 Oct. 1951	89.00	90.50	5.43	87.00
†Sask.	4½	15 Mar. 1960	87.50	89.00	5.32	86.50
Sask.	5	1 Aug. 1958	88.00	90.00	5.81	89.00
†Sask.	5½	15 Nov. 1946	95.00	96.00	6.04	94.00
Sask.	5½	1 Oct. 1952	93.00	94.50	6.02	93.50
Sask.	6	15 Mar. 1952	95.00	96.00	6.41	95.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Stock Quotations

WEEK ENDED DECEMBER 21

Par Val.	Range 1936 High	Low	Company	Sales	Close Dec. 14 (or last)	High for week	Low for week	Close Dec. 21
1	.13½	.04	Afton	41,000	.07½	.08	.06½	.08
No	1.83	.88	Aldermac	264,765	1.55	1.83	1.56	1.61
1	2.95	1.00	Sherritt Gordon	194,947	2.45	2.80	2.56	2.70
1	5.10	2.87	Siscoe	104,802	4.20	4.95	4.15	4.70

Corporation Bonds

Supplied by Investment Dealers' Assoc. of Can.

December 22, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 22	Asked	Bid Dec. 15
*Ass. Tel. & Tel.	5½	'55	85	88	83½
Beauharnois P.	5	'73	60½	63½	54½
†B. C. 'Phone	4½	'61	105½	106½	105½
*Calgary Pwr.	5	'60	96	99	96½
†Can. Nor. Pwr.	5	'53	103	106	103
*Dom. Gas & El.	6½	'45	94	97	94
*Gatineau Pwr.	5	'56	102	105	102½
*Do., A	6	'41	100½	103½	100½
*Do., B	6	'41	99½	102½	99½
*Inter. Hydro-E.	6	'44	81½	84½	83
*Inter. Power	6	'57	96½	98½	98½
*Do.	6½	'57	98	101	...
†Maclaren-Que. Power	5½	'61	97½	100½	97½
†Do.	5½	'64	97	100	96½
†Mtl. Island Pr.	5½	'57	104½	107½	104½
†Mtl. L. H. & Pr.	3½	'56	102	105	102
†Mtl. Tramways	5	'41	104	107	103½
†Do.	5	'55	83½	86½	84½
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat'l. L. & P.	6	'49	96½	99½	96½
†N. S. L. & Pr.	5	'58	103	106	103
Do.	5	'65	102	105	102
†Ot'wa L.H.&P.	5	'57	104	107	104
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	88½	91½	85½
†Power Corp.	4½	'59	100	103	100½
*Quebec Pwr.	5	'68	103	106	103
Saguenay Pwr.	4½	'66	104½	107½	104½
†Shaw. W. & Pr.	4	'61	99½	102½	99½
†Do.	4½	'70	103½	106½	103½
†South. Can. Pr.	5	'55	102½	105½	102½
†United Secs.	5½	'52	79	82	...
*Winnipeg Elec.	4½	'60	104	107	104
Do., A	4	'65	82	85	82
Do., B	4	'65	73	76	73
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	77½	80½	81
†Alta. Pac. Gr.	6	'46	96	99	96
B. A. Oil	4	'45	103½	106½	102½
†Canada Cement	4½	'61	103½	106½	103½
†Can. Steamship	6	'41	61½	64½	60
Can. Canners	4	'51	99	102	99
*Can. Inter. P.	6	'49	101	104	102
C. P. R.	3½	'51	100	103	99½
Do.	4	'49	105½	108½	105½
Do.	4½	'44	102	105	102
Do.	4	Perp.	98½	101½	98½
†Can. Vickers	6	'47	99½	102½	99½
†Consol. Paper	5½	'41	68½	71½	69
*Dominion Coal	6½	'55	99½	102½	99
†Dominion Tar	4½	'51	101	104	100½
†Donnacona P.	3-4-4½	'56	82½	85½	81
†Eastern Dairies	6	'49	82	85	80½
†Famous Players	4½	'51	100	103	99½
†Federal Grain	6	'49	100	103	99½
†Fraser Cos.	6	'50	101½	104½	101½
†Gen. Steel W.	6	'52	103½	106½	103½
Gt. Lakes Pap.	5	'55	87½	90½	86
†Gypsum, L.&A.	5½	'48	102	105	102
Hamilton Cot.	5½	'48	103	106	...
*Ham. By-Prod. Coke	5	'55	101	104	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	98	101	98
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	54½	57½	53
†Kingston Elev.	6	'50	98	101	98
†Lake St. John P. & P.	5½	'61	97	100	...
†Maple L. Mill.	5½	'49	81	84	80
†Massey-Harris	5	'47	94	97	94
†McColl-Front.	6	'49	103½	106½	103½
†Mersey Paper	6	'49	98½	101½	98½
*Minn. & Ont. P.	6	'45	53	56	54½
Mtl. Dry Docks	6	'48	94	97	...
*Prov. Paper	5½	'47	103	106	103
Queen's Hotel	6	'47	98	101	98
†Restigouche Co.	6	'48	109½	112½	109½
†Rolland Paper	4½	'51	102½	105½	101½
†Smith, Howard	4½	'51	102	105	...
†Steel of Can.	6	'40	112½	115½	112½
Twin City	5½	'52	92½	95½	94
United Amuse.	5	'56	99	102	99
Unit. Grain Gr.	5	'48	95½	98½	95
Do.	5½	'49	98½	101½	96½
Union Gas	4½	'43-'50	97½	100½	98

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Unlisted Mines

December 22, 1936

	Bid	Asked
Admiral	.33	.35
Albany River	.95	1.00
Algold	.44	.46
Algoma Summit	1.95	2.00
Ardeen	.04½	.05
Arrowhead	.46	.49
Area	.03	.04
Athona	..	.25
Big Long Lac	..	.08
Big Master	.15	.19
B.E.A.R.	..	.27
Blue Star	.26	.28
Bousquet Gold	.06	.07
Brae Breest	.20	.22
Brengold	.23	.25
Bilmac	.23	.26
Bailor	.05½	.06
Bathurst	..	.04
Beresford L.	.61	.64
Calder Bosquet	.29	.32
Callinan Flin Flon	.15	.18
Canadian Pandora	.20	.22
Candalaca	.30	.33
Centrecour	.22	.25
Colonial	.39	.42
Coin Lake	.21	.24
Columario (new)	.02	.03
Cuniptau	.14	.16
Continental Kirk.	.31	.33
Casey Summit	.22	.25
Cres. Kirkland	.24	.26
Casey Contact	.03½	.04½
Condor	.07½	.08½
Canadian Kirk.	.02½	.03
De Santis (new)	.76	.79
Derlak	.22	.24
Dona Pat	..	.36
Darwin	.38	.42
Demp. Cad.	.36	.39
Don Martic	.25	.28
Dunlop (new)	.18	.19
Doreva	.70	.75
Dupont Hodgson	..	.17
Delwood	.20	.22
Electra Porc.	.34	.37
Eva Lake	.14	.16
Empress Cons.	.85	.87
Franklin	.01½	.02½
Falkenham	.38	.40
Forty-Four	2.00	2.50
Frontier R. Lake	.16	.18
Galateas	.04	.05½
Garnet	.07	.08½
Gateway Pat.	.11	.13
Gillies Lake	.52	.55
Goldside	..	.08
Golden Gate	.45	.47
Gordon Lebel	.19	.22
Gilbec	.06½	.07½
Hayes Cadillac	.19	.22
Holtyrex	.04¾	.05
Horseshoe	.10½	.12
Hudson Patricia	.11	.13
Hugh Pam.	.19	.21
Hutchison Lake	.20	.22
Jellicoe	.33	.36
Johnson Nipigon	.05	.07
Kaw Crow	.14	.15
Kenecho	.14	.16
Kenricia	.88	.92
Keora	.05	.06
Kew 'Gama	.85	.89
Kirk King	..	.23
Kerr Addison	.36	.38
King Kirk	.04	.05
Kirkgood	.24	.26
Kirk Gold Belt	.13	.15
Lamaque	7.80	8.00
Lafayette	.04	.05
Lapa Cadillac	1.35	1.38
Leitch Gold	.84	.88
Lake Rose	..	.35
Malartic	.38	.40
McFarlane	.05	.05½
Manitoba Basin (new)	.03	.04
Margaret	.30	.33
Madsen Red L.	1.35	1.38
Magnet Lake	.10½	.12
Martin McNeely	.06	.08
Matachewan Can.	.19	.20
McCarthy Webb	.44	.47
Mosher	.51	.54
Murmac	..	.10
Martin Bird	.29	.31
Mooshla	.57	.59
Monarch Mines	.35	.38
McVittie Kirk.	.05¾	.06¼
Maritime	.42	.47
North Shores	.04	.05
Naybob	.67	.70
New Augarita	..	.40
Old Diamond	.41	.44
Oklend	.38	.61
O'Leary	.18	.20
Opemiska Cap.	..	.70
Oriole	.09½	.10
Oremond	..	.25
Ossian	.10	.11
Phoenix Molybdenite	.55	.60
Porcupine McNabb	.10½	.12
Porcupine Gold R.	.02	.03
Porcupine Lake	.52	.54
Porcupine Triumph	.16	.18
Pascalis	.44	.47
Porquin	..	.19
Pandora Cadillac	1.02	1.09
Red Crest	1.75	1.85
Richmac	.38	.40
Rajah	.26	.28
Roeanor	.19	.31
Rouyn Reward	.06½	.07½
Rubec	.13	.14
Sand River	.25	.28
Schreiber	.13	.15
Silver Valley	.12	.14
Skookum	.23	.26
Smelter Gold	.09½	.10½
South Keora	..	.12
Spooner	.21	.22
Springer	.14	.16
Sturgeon R. Gold	.45	.48
Shenango	.25	.27
Siscoe Ex.	.42	.45
Slave Lake	3.25	
Upper Can.	.52	.55
Tonawanda	.12	.13
Wendigo	.30	.33
West-Side	.09	.10
W. Red Lake	..	.09
White Horse	.14	.19
Winoga	.42	.45
Young Davidson	.19	.21
Young Shannon	.15	.18
Ypres Cadillac	.25	.28
Wood Cadillac	.56	.58
Wesley	.27	.30

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 22, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	5.15	5.45
Do., pfd.	5.20	5.50
Acme Farmers Dairy, pfd.	42.50	...
Andian National	47.50	49.00
Assoc. Tel. & Tel. pfd.	54.00	55.00
B. C. Pulp & Paper, pfd.	22.00	...
Burns & Co., A	10.00	12.00
Do., B	6.50	...
Canada & Dom. Sugar	67.25	68.25
Canada Starch, com.	25.50	...
Do., pfd.	100.00	...
Can. Tube & Steel, com.	7.00	...
Do., 1st pfd.	72.50	...
Do., 2nd pfd.	17.50	20.00
Can. Wire & Cable, pfd.	118.00	121.00
Can. Airways	8.50	9.50
Can. Industries A com.	246.00	250.00
Do., B com.	245.00	249.00
Do., pfd.	165.00	167.00
Can. Ingersoll Rand	128.50	133.00
Can. Westinghouse	....	72.00
Chase, A. W., pfd. bonus	26.00	...
Claude Neon Gen. Adv. pfd.	7.50	9.00
Conduits Nat., new com.	4.85	5.25
Dom. Found. & Steel, com.	80.00	85.00
Do., pfd.	98.00	101.00
Dominion Rubber pfd.	99.00	102.00
Dunlop Tire pfd.	80.00	83.00
Eastern Dairies, pfd.	16.50	18.00
Federal Grain com.	3.50	4.00
Do., pfd.	45.00	48.00
Goderich Elevator	9.25	10.50
Great Lakes Paper, com.	11.25	12.00
Do., pfd.	28.00	28.50
Greening Wire pfd.	...	111.00
Guelph Carpet pfd.	105.50	106.50
Do., com.	23.25	24.50
Hayes Steel Prod., com.	6.00	...
Do., pfd.	7.00	9.00
Highland Dairy, com.	3.25	4.00
Do., pfd.	...	84.00
Inter City Bak., com.	38.00	40.00
Inter. Met. Indust., A pfd.	83.00	86.00
N. Meth. Laund. pfd. bonus	82.00	...
Provincial Paper, pfd.	104.50	106.50
Reliance Grain, pfd.	96.00	98.00
Rob. Consol. Cone	9.00	10.00
Ruddy, E. L., pfd.	37.00	40.00
Standard Fuel, com.	9.00	10.00
Do., pfd.	104.50	108.00
Supert. Petroleum B pfd.	27.25	28.00
United Steel, A pfd.	14.25	...
West. Grain, pfd. bonus	10.00	...
Trust and Loan Stocks:		
Chartered Trust	86.00	...
Commercial Finance c.	2.50	3.00
Guelph Ont. Inv. par $50	48.00	50.75
London & West. Trust	53.00	55.00
Sterling Trust	33.00	...
Traders Fin. Inc. Rts.	11.00	...
Do., B pfd. bonus	86.00	...
Trusts & Guarantee	30.00	33.50
Insurance Stocks:		
British America	51.00	...
Canada Life	530.00	545.00
Canadian Fire	75.00	...
Canadian Ins. Shares	12.50	13.00
Confed. Life 20% pd.	112.00	115.00
Cont. Life 20% pd.	38.00	44.00
Crown Life 100% pd.	150.00	...
Dominion Fire	135.00	...
Dominion Life 50% pd.	260.00	300.00
Dom. of Can. Gen.	118.00	125.00
Empire Life 25% pd.	7.50	8.60
Excelsior Life 30% pd.	69.00	72.00
Federal Fire 25% pd.	40.00	...
Fidelity Ins. of Can.	45.00	...
Great West Life	360.00	375.00
Guar. of N.A., fully pd.	290.00	...
Halifax Fire	21.50	22.50
Imperial Life	360.00	...
Manufacturers Life	245.00	255.00
Monarch Life 10% pd.	20.00	21.75
National Life 25% pd.	...	48.50
Sovereign Life 25% pd.	15.00	...
Sun Life	615.00	630.00
Toronto General Ins.	5.25	6.00
Western Assurance, com.	46.00	48.00
Do., pfd.	41.00	44.00
Theatre Stocks:		
Allens Beach pfd.	67.00	70.00
Do., Kingston pfd.	61.00	...
Do., Parkdale pfd.	71.00	...
Do., Toronto pfd. bonus c.	30.00	35.00
Eastern Theatres pfd.	72.00	76.00
Loew's Buffalo pfd.	3.50	4.00
Do., London pfd.	2.75	3.00
Do., Toronto pfd.	116.00	...
Mansfield Theatre pfd.	32.00	...
Paramount Kitchener pfd.	51.00	...
Do., Oshawa pfd.	86.00	...
United Amusement, A	24.00	...
Do., B	23.00	...
Investment Trust Shares:		
Can. Gen. Invest.	10.65	11.00
Can. Int. Inv. Trust Units	103.00	...
Can. Investors Corp.	9.50	10.13
Cons. Div. Std. Sec. Units	18.50	19.50
Corporate Investors	...	8.00
Dom. Scott. Invest. Units	44.50	46.00
Investments Found. Units	66.00	...
Sec. Holding Units	24.00	25.50
Third Can. Gen. Inv. Trust	2.00	...
United Corpns. A	26.75	27.50
Do., B	18.75	19.50
Power Issues:		
Calgary Power, pfd.	77.50	79.50
Can. West. Nat. Gas, pfd.	88.00	89.50
Do., com.	23.00	27.00
Great Lakes Power, pfd.	100.00	...
Inter. Util. 1.75 pfd.	12.50	13.50
Do., 7.00 pfd.	95.00	98.50
Montreal Island Pwr. pfd.	15.25	...
Nor. Ont. Power, pfd.	104.00	105.00
Nova Scotia L. & P. pfd.	104.50	106.00
Do., com.	94.00	...

Winnipeg Stocks

(Transactions from Dec. 15 to Dec. 19)

	Sales	High for period	Low for period	Close Dec. 19
Bailor Gold	1,200	.06	.06	.06
Cryderman	8,200	.02½	.02	.02½
Flin Flon	8,100	.23	.19	.19
Gt. Falls M.	12,100	.21	.13	.19
Herb Lake	1,097	.20	.20	.20
Gold Lake	127,000	.05½	.02½	.04
Gurney Gold	5,000	.53	.45	.45
Island Lake	2,000	.03½	.03½	.03½
Ore Grande	900	.18	.17½	.17½
Optic Lake	170	1.25	1.00	1.00
Marvel Oils	6,000	.07½	.07½	.07½
Rel. Grain, pfd.	2	93.00	93.00	93.00
Packsack	500	.25	.25	.25
Sachigo River	30	18.00	18.00	18.00
Star Lake	3,000	.02	.02	.02
United Grain	111	11.00	10.00	10.00
Wingold	8,000	.05½	.05	.05
Wings Ltd.	1,020	2.65	2.55	2.55
Wpg. R. Tin	8,700	.02	.01½	.02
Wallace Lake	6,500	.03½	.02	.03½
Wylie Dom.	500	.42	.42	.42
West. Brew.	1,150	1.25	1.25	1.25
West. Steel, pf.	50	7.00	7.00	7.00

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10
Home Invest.	19	..
Northern Mtge., part pd.	..	3¼
North. Can. Mtge., pf.	4	..
Traders Bldg.	85	..

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ended Dec. 21, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	..	51½	50
McNish	6	'48	3.75	..	4.00	3.00
Mtl. Trans., A	5	'55	84½	..	85½	83

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	114.00	115.50	4.00
Hamilton	5	1950	111.00	113.00	3.76
Montreal	5	1945	105.50	107.00	4.00
Ottawa	4½	1945	109.00	111.00	3.00
†Quebec	5	1959	106.00	107.50	4.47
Saint John	5	1950	107.00	108.50	4.19
†Toronto	4½	1955	112.00	114.00	3.45
†Vancouver	5	1953	90.00	95.00	5.53
Winnipeg	5	1944	98.00	101.00	4.83

†Payable Can. and N.Y.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1936, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of January, 1937, to shareholders of record of the 19th December, 1936.

By Order of the Board.
DUDLEY DAWSON
General Manager.

Toronto, 13th November, 1936.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1937, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
DUDLEY DAWSON
General Manager.

Toronto, 8th December, 1936.

THE CANADIAN BANK OF COMMERCE

The Annual Meeting of the Shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 12th day of January next. The Chair will be taken at 11.30 o'clock a.m.

By order of the Board.
S. H. LOGAN,
General Manager.

Toronto, 20th November, 1936.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1937, to Shareholders of record as at close of business December 15th, 1936.

W. S. BARBER,
Secretary-Treasurer.

Imperial Bank of Canada

DIVIDEND NO. 186.

Notice is hereby given that a Dividend of two and one-half per cent. (2½%) has been declared for the quarter ending the 30th January, 1937, payable at the Head Office and Branches on and after Monday, the First day of February next, to shareholders of record of 31st December, 1936.

By order of the Board.
A. E. PHIPPS,
General Manager.

Toronto, 16th December, 1936

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, on Wednesday, the 27th January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board.
H. F. PATTERSON,
General Manager.

Halifax, N.S.
December 16th, 1936.

Canadian Bronze Company Limited

DIVIDEND NOTICE.

THE quarterly dividend of 1¼% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of February, 1937, to Stockholders of record as of the 20th day of January, 1937.

Also a quarterly dividend of Twenty-Five (25c) Cents per Share, together with an interim dividend of Seventy-Five (75c) Cents per Share, have been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending January 31st, 1937. Payable the 1st day of February, 1937, to Stockholders of record as of the 20th day of January, 1937.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
December 18th, 1936.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1937,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Week in Wheat

Holiday Price Setback Considered as Normal

Profit Taking and Natural Lull in Selling Rather Than Big United States Acreage Estimate Believed Responsible

From Our Own Correspondent

WINNIPEG.—The setback which occurred in wheat prices at the beginning of this week might have been expected as a technical decline after the rapid rise of the preceding week. The approaching holiday season also had a natural tendency both to slow down export trade and to induce profit taking.

Not as much weight as might have been anticipated was given to the United States crop report, which indicated the highest winter wheat acreage on record and a fair crop condition at Dec. 1. There is a tendency, perhaps unjustified, to suspect some bias in the report. Washington has been trying to discourage plans for seeding spring wheat, in the hope of avoiding an export surplus of any important size.

Renewed demand for durum wheat has shot premiums up to a high level, with No. 1 durum on the Winnipeg market passing the $1.50 mark, while the same wheat, duty paid, has sold on the Duluth market as high as $2 a bushel. In spite of the price, substantial quantities have been reported sold for the Mediterranean trade.

High prices are inducing the sale of some Indian wheat to the United Kingdom, but total quantities are expected to be small.

Worried About Supply

THE present strength of the forces behind the recent up-surge of wheat and other grain prices was demonstrated when the Argentine Government crop estimate came out. At 250 million bushels it was only 10 millions below the highest of previous estimates, and 35 millions above the lowest. On a market where no bull movement was in progress it would have been bearish, but under prevailing conditions it was almost ignored as prices swept upward. Of primary importance today, of course, is the supply situation, which, as has been known for months, will leave the world at the end of the current season, with practically no reserves.

But superimposed on that factor has come an unexpected demand, as France, Italy and more recently Germany now report hitherto undisclosed shortages. There is also the threat of short crops in China. The latter country may probably absorb a good deal of the Australian export surplus this winter.

With such general conditions there is increasing nervousness as to the comparatively poor prospect for next year's crop on the North American continent, due to the poor start of much of the U. S. winter wheat, and moisture deficiency in spring wheat areas.

• • •

Buying Stock Ahead

RISE in prices has brought a good deal more speculative buying into the wheat market. But essentially the strength of the market has not been in speculation but in the desire of purchasers to assure themselves of wheat and flour supplies. There has, for instance, been very heavy buying attributed to U. S. millers. Largely this consists of lifting hedges which have been carried against stocks of Canadian wheat.

In turn such buying, according to reliable private reports is based on heavy bookings of flour by bakers and dealers in the United States. Similarly, millers in England have been making heavy sales of flours to customers who during recent years have not thought it necessary either to have large stocks on hand nor to have future needs protected by contracts.

Exporters continue to make sales far in advance, as overseas customers are looking out for their needs many months ahead.

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Coarse Grains Rise

THE price of coarse grains has also risen, but only in rye has the advance been proportionate to the advance in wheat. Barley, once again at approximately the dollar level for the malting grade, moves essentially in response to the demand for malt from Canadian and United States points, and is little affected by other factors. But rye has had a remarkable advance, largely based on the needs of United States distillers. The short rye crop of the U. S. might have been offset by substitution of corn had that crop not been the lowest in 25 years.

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U. S. Crop Outlook

THE beginning of winter finds the American wheat belt in almost exactly the same moisture position as a year ago. The spring wheat areas in the northwestern states are reported to be very deficient in moisture, and in the winter wheat areas of the south there is only a fair supply.

Certain sections of Kansas where an acreage between 14 and 16 millions is reported, are on the dry side, but recent rains have relieved the situation over a large area. However, both in respect to winter and spring wheat much will depend on moisture yet to fall. It is admitted that there is no surplus except in very limited areas and current supplies from now on until harvest will have to be fairly generous to carry either wheat area through an extended drought next summer.

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Vancouver Booms

WITH the closing of navigation on the Great Lakes, Vancouver wheat export has commenced to boom, and prices to advance to practically the Winnipeg level. This is something of a surprise to members of the Vancouver trade, who had feared that the eastern route would capture a large part of their normal business.

DIVIDEND NOTICES

82nd Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of one dollar and fifty cents per annum) on the no-par-value common shares of the Company presently issued and paid-up for quarter ending December 31st, 1936, has this day been declared to shareholders of record December 31st, 1936, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders January 30th, 1937.

By Order of the Board,
G. R. WHATLEY,
Secretary.

Montreal, December 21st, 1936.

Montreal Light Heat & Power Consolidated

Owned by 50,000 shareholders and debenture holders, Montreal Light Heat & Power has more customer-owners than any other utility company in Canada

Windsor Court Apartments Limited

Notice is hereby given that a payment of interest on the Company's outstanding 6% Bonds as represented by Coupon No. 12 due June 1st, 1933, will be made on January 2nd, 1937.

By Order of the Board,
WILFRED C. JAMES,
Secretary.

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of Twenty (20c) cents per share has been declared on the no par value common shares of the Company for the quarter ending December 31st, 1936, payable February 15th, 1937, to shareholders of record January 20th, 1937.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, December 16, 1936.

Brewers & Distillers of Vancouver Limited

To Shareholders and Holders of Voting Trust Certificates.

To avoid the danger that shareholders residing at a distance from Vancouver might lose the right to participate in the proposed distribution of capital payable on February 1st, 1937, in respect of fractional holdings, the time for adjustment of certificates for fractional shares has been extended to March 1st, 1937.

Paragraph 8 of the circular letter dated November 12th, 1936, sent to all registered shareholders and registered holders of Voting Trust Certificates should, therefore, read as follows:—

"As no distribution may be made in respect of the new fractional share certificates, holders receiving fractional share certificates must adjust such fractions by purchase or sale prior to March 1st, 1937, in order to participate in the distribution in respect of fractional certificates. NO DISTRIBUTION, therefore, will be made in respect of fractional holdings unless the same have been exchanged for certificates for whole shares and REGISTERED PRIOR TO MARCH 1st, 1937."

By Order of the Board,
GEORGE W. TWITTEY,
Secretary-Treasurer.

DIVIDEND NOTICES

THE B. GREENING WIRE COMPANY, LIMITED

Preferred Dividend No. 44

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company Limited, held in the office of the Company, December 19th, 1936, a dividend of five and one-quarter per cent. on the Preferred Shares of the Company, being balance due on deferred dividends, was declared payable February 1st, 1937, to shareholders of record January 15th, 1937.

F. J. MAW,
Secretary.

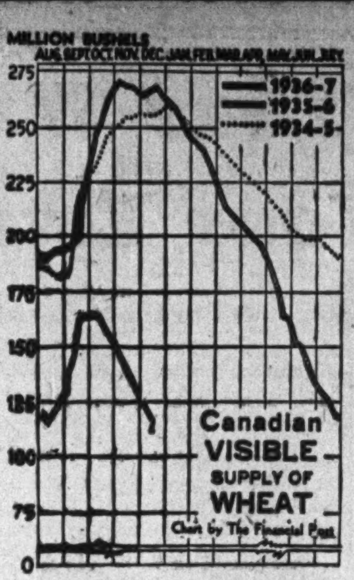
Hamilton, Ont., December 5, 1936.

Securities Holding Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Sixty Cents per share on the outstanding Preference Shares of the Company has been declared payable January 2nd, 1937, to shareholders of record at the close of business on the 19th day of December, 1936. The transfer books will be closed from the 21st to the 31st days of December, 1936, both days inclusive.

By order of the Board.
F. T. LARGE,
Secretary.



BETTER DELIVERIES

With improved weather throughout the Canadian prairies, wheat deliveries from farms have shown some improvement but not enough to seriously divert the steady decline in wheat stocks in marketable positions. Last week well over a million bushels were delivered to country elevators compared with only half this amount during the severe cold spell which occurred earlier in the month. But, according to Sanford Evans, country deliveries to Dec. 18 amounted to over 135 million bushels, and with a crop of less than 225 millions and after making allowances for seed and feed on the farms, only a relatively small amount can be expected in weekly deliveries for the remainder of the season.

Heavier Runs Hit Hog Prices

Aggravated by U. K. Bacon Break and Drop in Sterling

Lower prices for Canadian hogs this fall have given rise to considerable criticism on the part of farmers all over the country. In a circular letter addressed to Hon. J. G. Gardiner, Dominion Minister of Agriculture, J. S. McLean, president of Canada Packers, states this drop has been due to a variety of reasons chief of which was the relatively larger run of hogs to market this fall.

For the 11-weeks period ended Nov. 14 hog deliveries in Canada totalled almost 895,000 head compared with 580,000 head in the same period in 1935. At the request of the British Government, the quota under the Ottawa agreement notwithstanding, exports to the United Kingdom were kept down to the equivalent of 22,000 hogs per week or to a rate far below current fall deliveries even after taking into consideration a normal domestic demand. As a result large quantities of pork products had to be placed in storage, the packer taking a chance that later market conditions would permit profitable disposal.

This heavy fall run coupled with the fact that the usual autumn break in British bacon prices was aggravated by a decline of 15 cents in the British pound in terms of Canadian money following France's withdrawal from the gold standard, materially affected Canadian hog prices, explains Mr. McLean.

German Wheat Reports Create Market Problem

Shortage May Be Serious But Might Be Propaganda

A German feed shortage is emerging as one of the important factors in world markets for food commodities. How real the shortage is, and to what extent it may be overadvertised for internal or external political reasons is a problem which the market must digest.

Propaganda?

The rationing of fats and oils, and the severity of the demands on German citizens to surrender all foreign exchange in their possession both indicate a serious situation. But the apparent severity of the food position alone, might be part of propaganda intended to strengthen German claims for restoration of colonies, or might be related to attempts to get the population more firmly under discipline.

If German efforts to be self-sufficient in food supplies have definitely broken down, it is a matter of the greatest importance, not only for this year's wheat markets, but for those of succeeding years.

Imports on Credit

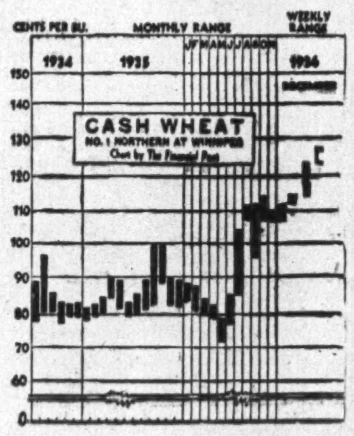
Before 1928 she had managed to import large quantities of wheat as well as other food with loans obtained from the United States. To what extent she would be able to pay for extensive imports today is difficult to foretell. Much, of course, must depend on the seriousness of her shortage which has been estimated at something over 35 million bushels.

Italy's wheat imports which, it is now suggested, may reach 80 million bushels offers a precedent for Germany. A few months ago no one could have believed that such imports would be needed or could be financed. Yet heavy imports have already been made in the face of a 25% increase in price.

It is possible, of course, that Germany and Italy with their new types of governments may have too generously estimated their production figures in an effort to convince the world of the success of their new creeds. But in any case the new nationalism which swept Europe in the last few years, has not been of sufficient duration to establish the success of the changes which it engendered. Wheat was grown in places formerly devoted to other and more intensive crops. It is possible that occasionally propaganda and agricultural science may have become a little mixed.

But if this recent sharp gain in European wheat buying spells even the partial defeat of efforts to make the old world self-sufficient in wheat then a gradual restoration of heavy regular shipments from this hemisphere may again be expected.

Wheat Prices



(Cash Quotations)

For Week	Dec. 22 High	Dec. 22 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.28⅛	1.21¼	1.21⅛	1.14⅞
1 Northern	1.28⅛	1.21¼	1.21⅛	1.14⅞
2 Northern	1.25⅛	1.19¼	1.16⅝	1.11⅞
3 Northern	1.22¾	1.16¾	1.16⅛	1.08⅞
4 Northern	1.18½	1.13¼	1.12⅝	1.06⅜
5 Wheat	1.13½	1.08⅛	1.07⅝	1.01⅜
6 Wheat	1.09½	1.04¼	1.03⅝	.97⅞
Feed Wheat	.94½	.89¼	.88⅝	.82½
Vancouver: Week to Dec. 19:				
1 Northern	1.26½	1.21¼	1.16⅞	1.13⅞

Competitive Export Prices:
Dec. shipment.

Week to Dec. 19	High	Low
No. 1 North. (Vanc.)	1.51⅞	1.43¼
No. 2 North. (Atlan.)	1.51½	1.42
No. 1 North. (Atlan.)†	1.52⅝	1.48½
No. 2 North. (Vanc.)	unquoted	
Australian (afloat)	unquoted	
Australian*	1.42⅞	1.37⅞
Argentine Rosafe†	1.25	1.18¼
Indian (choice Karachi)	1.38⅛	1.33¼

†Jan.-Feb. *Jan.

Winnipeg Grain Futures

Week to Dec. 22, 1936

Crop year from Aug. 1, 1936 High	Low		Open Dec. 16	High for week	Low for week	Close Dec. 22
		Wheat				
1.28⅝	.93½	Dec.	1.19¾	1.28⅝	1.19⅝	1.22
1.26⅝	1.05⅝	May	1.20½	1.26⅝	1.20⅛	1.21⅞
1.24¼	1.03¾	July	1.18	1.24¼	1.17⅛	1.17⅞
		Oats				
.52⅞	.41¼	Dec.	.51¾	.52⅞	.50	.50⅛
.53	.42¼	May	.51½	.53	.49½	.49⅝
.51½	.43⅝	July	.50⅝	.51½	.48	.48
		Barley				
.81⅝	.50¼	Dec.	.79¼	.81⅝	.76½	.80
.75	.50⅞	May	.71½	.75	.71	.71¾
.71⅜	.56¾	July	.69¼	.71⅜	.67⅜	.67⅝
		Flax				
1.88	1.56	Dec.	1.71½	1.72½	1.69¼	1.69¾
1.75¾	1.60½	May	1.74¾	1.75	1.69¾	1.70⅝
1.75	1.63¼	July	1.75	1.75	1.70	1.70⅝
		Rye				
1.10⅛	.61¾	Dec.	.96½	1.10⅛	.96½	1.01⅞
1.09⅝	.62⅝	May	.96¾	1.09⅝	.95¼	1.02¾
1.07	.78¼	July	.94⅝	1.07	.93½	.99⅞

NORRIS GRAIN COMPANY
LIMITED
PRIVATE WIRE SYSTEM
GRAIN—STOCK—BONDS
Principal Offices:
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LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
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Grain Enquiry Takes a Rest

Following the Saskatoon session, the Royal Grain Enquiry adjourned until after the holidays. With the background evidence completed, the commission is next to hear a series of submissions on behalf of the Winnipeg Grain Exchange, and various organizations connected with the trade. This will be followed by evidence of co-operative marketing, bringing the pools into the picture, and quite likely more controversy than has so far featured the hearings.

Commodity Markets

Sharply increasing prices and rising demand for rubber have resulted in a 5% advance in the quota for the first quarter of 1937, recently set at 70%. In the subsequent three months the allotment will be raised to 80%.

These decisions were announced last week following a meeting of the international regulating committee.

Despite the increased quotas, prices registered the most substantial gain in some time on the day the announcement was made. This is attributed largely to interpretation of the committee's action as indicating a definite dwindling of world stocks. In some measure, also, it may be the reaction following expectation in some quarters that the quota for the first quarter of next year would be increased 10%.

• • •

Wool Scars

Wool prices have been a feature of commodity markets over the last month. In that time, Merino has advanced 10% to 15% and crossbred about 25%. On average, current prices are approximately 50% above last year's levels.

Demand for military requirements has been an underlying factor in the price rise, although the immediate cause is attributed to heavy purchases of low cost crossbred wool by Japan. It is stated there are no surplus stocks of raw wool available anywhere; reports from the Argentine, Australia and New Zealand show that a large proportion of the clip in those countries has already been contracted for.

In the United States, contrary to the usual seasonal trend, textile manufacturers are reported to be placing contracts as heavily as dealers can locate supplies at reasonable prices.

• • •

Hardware Lines

Rising raw material prices are making their influence felt on a growing list of semi-manufactured and manufactured products.

One apt illustration of this is in hardware lines. A number of prices are being jacked up this month by wholesale hardware firms as basic commodities advance. Costs of wire nails, galvanized wire, barbed wire, fence staples and bale ties are already higher.

Plumber's brass goods were increased as from Dec. 15, following the generally firmer price trend in manufactured brass and copper products.

• • •

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$6.25	$6.25	$6.50
Hogs	8.75	8.60	8.85
Copper, lb.	.11	.10⅛	.09¼
Cotton, lb.	.1281	.1298	.1205
Rubber, lb.	.2041	.1897	.1325
Sugar, raw, lb.	.0278	.0378	.0310
Silk, lb.	2.12	2.13	1.94
Wheat (Man.) bus.	1.24¾	1.16⅛	.85¼
Coffee, lb.	.08¾	.09	.06⅛
Hides	.14	.13½	.11
Weekly Indices			
N. Y. Annalist	134.8	132.2	128.7
Fishers'	87.3	86.6	84.0
N. Y. Journal of Comm.	85.5	84.9	80.2
Crumps (Brit.)	76.5	75.7	68.6
U. S. Labor	83.0	82.6	80.9
Canada (D.B.S.)	77.8	77.4	72.7

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Nov.)	81.7	81.5	80.6
W'sale (Nov.)	77.2	77.1	72.7
U. S. Labor (Oct.)	81.5	81.6	80.5
Gt. Brit. (Aug.)	83.4	82.0	77.3

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York: Hogs—select bacons, Toronto.

NOTICE

The Hydro-Electric Power Commission of Ontario

Notice of Redemption

To the Holders of:

3½-4-5 per cent Twenty Year Debentures of The Hydro-Electric Power Commission of Ontario dated 1st October, 1932, and due 1st October, 1952, issued under the authority of The Power Commission Act and amendments and of Order-in-Council passed the 11th day of October, 1932, and guaranteed by the Province of Ontario.

NOTICE is hereby given that pursuant to the terms and conditions of said Debentures The Hydro-Electric Power Commission of Ontario will on the FIRST DAY OF APRIL, 1937, redeem all its said 3½-4-5 Per Cent Twenty-Year Debentures then outstanding by paying the principal of the same with accrued interest on the said principal to the said First day of April, 1937, at the principal offices of the Bank of Montreal in Toronto, Montreal, Winnipeg, Regina, Calgary, Vancouver, Halifax and St. John, in the Dominion of Canada, at the holder's option, on presentation and surrender of the said Debentures with the coupons appertaining thereto which mature on and after the First day of April, 1937.

NOTICE IS ALSO GIVEN that pursuant to the terms and conditions of the said Debentures all interest on such Debentures shall cease from and after the said redemption date, namely the First day of April, 1937, and coupons for interest to accrue after said date upon the said Debentures shall become and be void.

Dated at Toronto, Canada, the 10th day of December, 1936.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
A. MURRAY McCRIMMON,
Secretary and Controller.

GRAIN MERCHANTS In World Trade
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada
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SHIPPERS & EXPORTERS
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TORONTO ELEVATORS
LIMITED
Capacity:
Toronto, 4 Million Bushels
Sarnia, 3 Million Bushels
The most modern facilities for the storage and transfer of grains, for grain conditioning, and for the production of MASTER FEEDS for Livestock and Poultry. MASTER FEEDS are endorsed and recommended by leaders in the livestock industry of Canada.
Toronto Elevators Ltd.
also Owning and Operating
The Sarnia Elevator Co. Ltd.
QUEEN'S QUAY TORONTO

A Complete Investment and Trading Service
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LIMITED
OPERATING TERMINAL ELEVATORS, FORT WILLIAM-PORT ARTHUR-VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
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GRAND TRUNK PACIFIC ELEVATOR CO.
LIMITED
LOCATED AT FORT WILLIAM ON C. N. R. & C. P. R. ELEVATOR ABSOLUTELY FIREPROOF THROUGHOUT. OPERATED BY ELECTRICITY — CAPACITY 5,750,000 BUS.
Frederick B. Wells President
W. Slater Vice-Pres. and Gen. Mgr.

Added Duties On Fats, Oils Are Unlikely

Would Increase Difficulty in Negotiating Trade Pact With Britain

OPPOSITION STRONG

From Our Own Correspondent

OTTAWA. — Even if the report of the Tariff Board should recommend increases in the duties on animal and vegetable fats and oils, as a result of the hearing earlier this month, there is little likelihood of the higher duties being imposed, The Financial Post learns.

Quite apart from the broad policy of the present Government, which is to bring about reductions in existing tariff structures, the principal vegetable oil items are bound free by the Ottawa agreements. A substantial part of the imports comes in via the United Kingdom, and an increase would add to the difficulties now being experienced in renewing the trade agreement along the existing favorable lines.

The applicants for higher duties, consisting of 25 packing house firms, the National Dairy Council and certain manufacturers of inedible animal oils, fats and greases, asked the Tariff Board to recommend the following schedule:

New Schedule Urged

Animal oils, fats and greases, except butter and cream, three cents per pound plus 20% and 3½ cents per pound.

Vegetable oils, other than crude, six cents per pound.

Crude vegetable oils, 4½ cents per pound.

They recommended a reduction of 25% where such imports were Empire products.

The applicants asked for the increase in duty on the ground that Canadian industry could supply enough butter fat, lard, edible tallows, greases and oils to supply all Canadian requirements.

It was asserted that the 318,000 dairy farmers in Canada were producing more than the butter requirements of Canada, and that if a sufficiently high duty was placed on imports of foreign oils and fats there would be sufficient demand for Canadian butter to take care of the supply.

They called attention to the recent increase in the United States tariff on these commodities, and asked for similar treatment.

Applicants claimed that the granting of their proposed rates would add over $2,000,000 to the value of production of greases and tallows in Canada, most of this going to the primary producer.

Opponents of the application were Canada Packers Ltd., Swift Canadian Co., Lever Bros. and numerous other firms, including bakeries and laundries.

Bruck Silk Sales Higher

Isaac Bruck Views Prospects With More Confidence

From Our Own Correspondent

MONTREAL.—Conditions in the textile industry have improved considerably since last winter and for the first month of the current fiscal year—November—Bruck Silk Mills sales were 20% higher than for the corresponding month a year ago, according to a statement made by I. I. Bruck, president, at the annual meeting of shareholders. Equipment is in good shape, says Mr. Bruck, who expressed confidence that better results will be reported next year.

Bruck Silk, the shareholders were told, has recently added new lines such as woollens and material for bedspreads, draperies, neckwear, etc., and the management is hopeful of good results.

Elect Five New Directors

Shareholders elected five new members to the board of directors. They are: Morton Darling, H. D Dwyer, Arthur M. Flanders, Col. G. Eric Reid and H. Stern. Mr. Flanders is sales manager and Mr. Stern secretary of the company. Other members of the board are: I. I. Bruck, Paul P. Hutchinson, R. G. Ivey, L. S. Lee, Hartland de M. Molson and Wallace B. Phillips.

Following the annual meeting, directors met and declared an interim dividend of 10 cents a share, payable Jan. 15 to shareholders of record Dec. 24.

Hollinger Staff Unaware Of Plans for Ramore Mine

From Our Own Correspondent

MONTREAL. — Hollinger officials are completely in the dark regarding the report that the mill on the Ramore property is being dismantled and shipped to Horwood Lake and that plans were under way for the erection of a larger mill at Ramore. The mill is intact and there has been no thought given by the management to its replacement by a larger unit.

Approve St'k Redemption of Toronto Elevators Pref.

Unanimous approval was voted at the recent special meeting of shareholders of Toronto Elevators Ltd. to the by-law authorizing the redemption of the company's preferred stock.

You'll like them—
"EXPORT"
CIGARETTES
—everybody does.

NEW DIRECTOR

Victor R. Smith, general manager and actuary of Confederation Life Association, who has been elected a director of the company.

Mr. Smith is also president of the Canadian Life Insurance Officers Association.

Provincial Bank Liquidity Higher

Earnings Steady — Investment in Longer-term Bonds Increased

From Our Own Correspondent

MONTREAL.—Provincial Bank of Canada's financial statement for the year ended Nov. 30 shows practically no change in earning power, while the balance sheet reflects a further gain in bond investments, resulting in an increase in the ratio of liquid assets to deposits to 78%, compared with 73% a year ago.

Profits of the year totalled $402,678, as against $400,843 in 1935. The usual reserves for real estate and contingencies were set up, and while providing for the regular dividend, there was a moderate reduction in the balance carried forward.

Profit and Loss Account
Year Ended Nov. 30

	1936	1935
	$	$
Net earnings	402,678	400,843
Less: Taxes	98,325	99,000
Net profit	304,353	301,843
Less: Dividends	240,000	240,000
W/o real estate	40,000	40,000
Contingency res.	50,000	50,000
Deficit for year	25,647	28,157
Previous surplus	257,584	285,740
Surplus forward	231,937	257,583

The difficulty in securing loans is reflected in the balance sheet. While holdings of short term Dominion Government and provincial securities declined about $150,000 during the year, with a view to improving earnings, the bank increased its holdings of long term and Provincial Government securities from $6.7 millions to $9.5 millions. This was an increase of around $330,000 in Canadian municipal securities and $1.1 million in other investments.

Call loans declined by about $300,000, while current loans decreased by nearly $2 millions. Non-interest bearing deposits increased over $240,000, while interest bearing deposits advanced by approximately $2 millions to $36.7 millions.

Notes in circulation declined from $3.7 millions to $3.4 millions.

Comparative Balance Sheet
As at Nov. 30

	1936	1935
Assets	$	$
Cash on hand	3,867,856	3,962,939
Deposits other banks	3,511,688	3,414,336
	7,379,544	7,397,275
Gov. secs., short term	3,167,261	3,401,183
Other gov. secs.	9,511,842	6,731,479
Mun. secs.	8,362,066	8,030,482
Other secs.	3,716,096	2,629,631
Call loans	3,935,597	4,264,034
Deposit with min. of fin.	183,675	200,000
	36,257,081	32,654,064
Current loans*	11,966,264	13,830,955
Letters of credit	168,667	141,108
Real estate, mortgages	1,021,635	1,027,587
Bank premises	2,100,163	2,092,985
	51,513,910	49,746,719
Liabilities		
Non-int. bearing dep.	6,033,117	5,816,865
Int. bearing deposits	36,716,015	34,823,750
Notes in circ.	3,428,762	3,755,322
Letters of credit	39,964	29,125
	46,217,857	44,425,062
Divds. declared	64,115	64,073
Capital	4,000,000	4,000,000
Reserve fund & surplus	1,231,937	1,257,584
	51,513,910	49,746,719

* Including advances to municipalities.

What's What In Advertising

By TORY FLEMING

The Baker Advertising Agency Ltd. has been appointed to direct the advertising of the Parker Fountain Pen Co. Ltd., Toronto, according to an announcement by R. O. Pennington, managing director. Plans are now under way for 1937 advertising.

The extent to which improvement has penetrated to the basic industries in Canada is indicated by the size of the annual number of Canadian Machinery closed this week. The issue contains 278 pages, one of the largest numbers in the history of the publication. Many new faces appear among the industrial advertisers and many firms who have not appeared for eight years or more are included. Significant is the fact that Canadian dealers representing foreign machinery and equipment manufacturers recommended strongly to their principals that the time is now ripe to resume advertising in Canada.

Guaranty Trust Dividend

The Guaranty Trust Company of Canada, of Toronto and Windsor, has declared a regular half yearly dividend of 2½%, at the rate of 5% per annum, payable Jan. 15 to holders of record Dec. 31.

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove	12½c	Jan. 2	Dec. 19
Do., pref.	$1.62½	Jan. 2	Dec. 19
Am. Cyanamid, A B	15c	Dec. 21	Dec. 8
Do., extra	40c	Dec. 21	Dec. 8
Assoc. Brew.	15c	Dec. 31	Dec. 14
Agnew Surpass, pf.	$1.75	Jan. 2	Dec. 15
Beaver Lumber, pf.	$1.75	Jan. 2	Dec. 24
Brewers & Distillers	•$1	Feb. 1	Dec. 29
Brit. Amer. Oil	20c	Jan. 2	Dec. 15
Do., bonus	20c	Jan. 2	Dec. 15
Bell Telephone	$1.50	Jan. 15	Dec. 23
B.C. Elec. P. & G. p.	$1.50	Jan. 2	Dec. 19
B. C. Power, A	40c	Jan. 15	Dec. 31
Brazilian Tr., ord.	40c	Jan. 30	Dec. 26
Brazilian Tr., p.	$1.50	Jan. 2	Dec. 15
Brockville Trust	62½c	Jan. 2	Dec. 20
Bruck S. Mills	10c	Jan. 15	Dec. 28
Bk. of N. Scotia	$3	Jan. 2	Dec. 16
Belding Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Bk. of Canada	$1.13	Jan. 2	Nov. 30
Bldg. Prod., A B	35c	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Brant. Cord., 1st pf.	32½c	Jan. 15	Dec. 19
Bralorne M.	10c	Jan. 15	Dec. 31
Do., extra	5c	Jan. 15	Dec. 31
Burt, F. N.	50c	Jan. 2	Dec. 10
Do., pref.	$1.75	Jan. 2	Dec. 10
Canada Packers	75c	Jan. 2	Dec. 15
Canada Life	$5	Jan. 2	Dec. 31
Can. South. Rly.	$1.50	Feb. 1	Dec. 28
Carnation 1st pfd.	$1.25	Jan. 2	Dec. 17
Cons. Smelters	50c	Dec. 31	Dec. 14
Do., extra	$1	Dec. 31	Dec. 14
Consumers' Gas	$2.50	Jan. 2	Dec. 16
Crown Trust	$1.75	Jan. 2	Dec. 31
Can. Bronze	25c	Feb. 1	Jan. 20
Do., bonus	75c	Feb. 1	Jan. 20
Do., pref.	$1.25	Feb. 1	Jan. 20
Can. Cottons	$1	Jan. 2	Dec. 18
Do., pref.	$1.50	Jan. 2	Dec. 18
Can. Fairbanks, pf.	$1.50	Jan 15	Dec. 31
Can Industries, A & B	$2	Jan. 30	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Light & Pr.	50c	Jan. 15	Dec. 31
Can. West'house	50c	Jan. 1	Dec. 21
Can. Celanese	40c	Dec. 31	Dec. 16
Do., pref.	$1.75	Dec. 31	Dec. 16
Can. Gen. Invest.	12½c	Jan. 15	Dec. 31
Can Canners, 1st p.	$1.50	Jan. 2	Dec. 15
Can. For. Invest.	40c	Jan. 1	Dec. 15
Do., pref.	$2	Jan. 1	Dec. 15
Canada Nor. Pr.	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Canadian Oil, pf.	$2	Jan. 2	Dec. 21
Can. Wire Box	37½c	Jan. 2	Dec. 15
Cel. of Amer.	$1	Dec. 23	Dec. 16
Do., pref	$1.75	Jan. 1	Dec. 16
Do., pref.	$3.50	Dec. 31	Dec. 16
Cent. Can. Loan	$2	Jan. 2	Dec. 21
Chartered Trust	$1	Jan. 2	Dec. 15
Coniagas Mines	12½c	Jan. 11	Dec. 31
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 31
Confed. Life	$1	Dec. 31	Dec. 25
Cons. Bakeries, ord.	20c	Jan. 2	Dec. 15
Crown Cork	20c	Feb. 15	Jan. 30
Do., extra	20c	Jan. 2	Dec. 15
Can. Bread 1st pf.	$1.25	Jan. 2	Dec. 14
Do., B pfd.	62½c	Jan. 2	Dec. 15
Can Perman. Mtge.	$2	Jan. 2	Dec. 15
Can. Gen. Elec.	$1.25	Jan. 2	Dec. 15
Can. Dredge	$1+1	Jan. 2	Dec. 15
Cariboo Gold	2½c	Jan. 2	Dec. 5
Dome Mines	50c	Jan. 20	Dec. 31
Do.,	50c	Apr. 20	Mar. 31
Dom. Foundries, pf.	$1.50	Dec. 1	Nov. 20
Dom. Rubber, pf.	$1.75	Dec. 31	Dec. 18
Dom. Coal, pf.	38c	Jan. 2	Dec. 15
Dom. Glass	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Dom. Textile	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 31
Dom. Bank	$2.50	Jan. 2	Dec. 19
East Steel, pfd.	$1.75	Jan. 2	Dec. 22
Falconbridge N.	7½c	Dec. 31	Dec. 4
Gachin Gold	17c	Dec. 30	Dec. 15
Gair, Robt., pf.	75c	Dec. 24	Dec. 17
Gr.-West Life	$5	Jan. 2	Dec. 19
Goderich Elevator	25c	Jan. 2	Dec. 15
Goodyear Tire	63c	Jan. 2	Dec. 15
Do., pref.	62½c	Jan. 2	Dec. 15
Greening Wire, pf.	$1.75	Jan. 1	Dec. 15
Do., arrears	$1.75	Jan. 1	Dec. 15
Gt. Lakes Pr., pf.	$1.75	Jan. 15	Dec. 31
Grey & Bruce Trust	2%	Dec. 31	....
Ham. Cotton, pf.*	50c	Jan. 1	Dec. 15
Hudson Bay M.	50c	Dec. 21	Dec. 5
Hinde & Dauch	25c	Dec. 21	Dec. 10
Ham. Un. Theat. pf.	$1.25	Dec. 31	Nov. 30
Hollinger M.	5c	Dec. 31	Dec. 14
Do., extra	10c	Dec. 31	Dec. 14
Harding Carpets	10c	Jan. 2	Dec. 19
Howe Sound	75c	Dec. 23	Dec. 11
Do., pref.	75c	Dec. 23	Dec. 11
Hudson's Bay, pf.	↓5%	Jan. 1	....
Huron & E. Mtge.	$1.25	Jan. 2	Dec. 15
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Coal	$2	Jan. 2	Dec. 21
Do., bonus	$2	Jan. 2	Dec. 21
Do., pref.	$4	Jan. 2	Dec. 21
Inter Milling, pf.	$1.25	Jan. 15	Jan. 5
Invest. Found., pf.	50c	Jan. 15	Dec. 31
Do., arrears	25c	Jan. 15	Dec. 31
Inter. Paints, pf †	75c	Dec. 21	Dec. 9
Do., extra	25c	Dec. 21	Dec. 9
Inter. Mining	45c	Dec. 24	Dec. 17
Inter. Nickel, pf.	$1.75	Feb. 1	Jan. 2
Inter. Power, pf.	$1.50	Jan. 2	Dec. 15
Inter State Rlty., A	28c	Jan. 1	Dec. 15
Inter. Utilities, pf.	*3.37½	Dec. 23	Dec. 15
Do., $3.50 pref.	*1.68¾	Dec. 23	Dec. 15
Int. Nickel, c.	40c	Dec. 31	Dec. 1
Imp. Tobacco, ord.	8¾c	Dec. 31	Dec. 11
Kelvinator, pfd.	$1.75	Feb. 15	Feb. 5
Landed Banking	$1.25	Jan. 2	Dec. 15
Lang, J. A.	17½c	Jan. 2	Dec. 15
Lava Cap. M.	2c	Dec. 21	Dec. 10
Do., extra	1c	Dec. 21	Dec. 17
Little Long Lac	10c	Jan. 15	Dec. 28
Jam. Pub. Ser.	43¾c	Jan. 2	Dec. 18
Do., pref.	$1.75	Jan. 2	Dec. 18
Monarch Knit. pf.	$1.75	Jan. 2	Dec. 14
Mtl. Ref. & Storage, pf.	†$1	Jan. 2	Dec. 15
Mtl. Telegraph	80c	Jan. 15	Dec. 31
Mitchell, J. S., pf.	$1.75	Jan. 2	Dec. 11
Moore Corp.	40c	Jan. 2	Dec. 10
Do., pref. A B	$1.75	Jan. 2	Dec. 10
Mtl. C. & D. Bank	$3	Jan. 2	Dec. 15
Do., bonus	$1	Jan. 2	Dec. 15
McColl-Front., pf.	$1.50	Jan. 15	Dec. 31
New Eng. Pwr., pf.	$1.50	Jan. 2	Dec. 15
Do., arrears	50c	Jan. 2	Dec. 15
Do., $2 pref.	50c	Jan. 2	Dec. 15
Do., arrears	16⅔c	Jan. 2	Dec. 15
N. S. L. & Pr., ord.	$1.25	Jan. 2	Dec. 16
Nat. Breweries	50c	Jan. 2	Dec. 15
Do., pref.	43c	Jan. 2	Dec. 15
Nat. Grocers, pf.	$1.75	Jan. 1	Dec. 15
National Trust	$2	Jan. 2	Dec. 19
Noranda Mines	$1.75	Dec. 22	Dec. 1
North Star Oil, pf.	*17½c	Jan. 2	Dec. 19
Neon Prod. of W. Can., com.	25c	Dec. 20	Dec. 7
Niagara Wire, c.	40c	Jan. 2	Dec. 22
Ont. Loan & Deb.	$1.25	Jan. 2	Dec. 15
Ogilvie Flour	$2	Jan. 2	Dec. 19
Ottawa L. H.	$1.50	Jan. 2	Dec. 16
Do., pref.	$1.25	Jan. 2	Dec. 16
Ottawa Traction	50c	Jan. 2	Dec. 16
Page-Hersey	75c	Jan. 2	Dec. 15
Do., extra	25c	Jan. 2	Dec. 15
Pickle Crow	5c	Dec. 31	Dec. 16
Pioneer Gold	20c	Jan. 2	Dec. 1
Premier Gold	3c	Jan. 15	Dec. 18
Do., extra	1c	Jan. 15	Dec. 18
Power Corp.	25c	Dec. 21	Dec. 5
Do., pfd.	$1.50	Jan. 15	Dec. 31
Do. 2nd pf.	75c	Jan. 15	Dec. 31
Premier Trust	$2.50	Dec. 31	Dec. 19
Pressed Metals	50c	Dec. 22	Dec. 17
Do., extra	50c	Dec. 22	Dec. 17
Prov. Paper, pfd.	$1.75	Jan. 2	Dec. 15
Para. Pictures, 1st p.	$12	Dec. 26	Dec. 15
Do., 2nd pfd.	60c	Dec. 26	Dec. 15
Porto Rico Pwr., pf.	$1.75	Jan. 2	Dec. 15
Real Estate Loan	$1	Jan. 2	Dec. 17
Reno Gold	3c	Jan. 2	Dec. 10
Remington Rand	15c	Jan. 2	Dec. 10
Do., stock bonus	1%	Jan. 2	Dec. 10
R. S. Mills, A	50c	Jan. 2	Dec. 15
Do., extra	$1.75	Jan. 2	Dec. 15
Russell Motor	$1.50	Dec. 31	Dec. 21
Do., pref.	▲$1.17	Dec. 31	Dec. 21
Do., arrears	$1	Dec. 31	Dec. 21
Saguenay Pr., pf.	$1.37½	Feb. 1	Jan. 15
Securities Hold., pf.	‡60c	Jan. 2	Dec. 19
Shawinigan W.	20c	Feb. 15	Jan. 20
Sheep Creek M.	2c	Jan. 15	Dec. 31
Sher. Wm., pf.*	$1.75	Jan. 2	Dec. 15
Simon & Sons, c.	25c	Jan. 15	Dec. 31
Sylvanite Gold	5c	Dec. 31	Nov. 16
South. Can. Pr., c.	20c	Feb. 15	Jan. 30
South Can. Pwr., pf.	$1.50	Jan. 15	Dec. 19
Std. Steel, pf.	*75c	Jan. 1	Dec. 15
Do., extra	*75c	Jan. 1	Dec. 15
Sudbury Basin	†10c	Jan. 2	Dec. 10
Super. Pete., ord. & c.	50c	Jan. 2	Dec. 11
Standard Fuel, pf.	$1.62½	Jan. 1	Dec. 15
Supersilk Hos., pf.	$1.75	Jan. 1	Dec. 18
Tamblyn, c.	†20c	Jan. 1, '37	.....
Do., pref.	†62½c	Jan. 2	Dec. 19
Teck Hughes	10+5c	Jan. 2	Dec. 10
Thayers, pf.	$2.50	Jan. 1	Dec. 16
Tor. Mortgage	$1.50	Jan. 2	Dec. 15
Tip Top Tailors	25c	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	Dec. 16
Tor. Elevators, pf.	$1.75	Jan. 15	Jan. 2
Tor. Gen. Trusts	$1	Jan. 2	Dec. 19
Tuckett Tob., pf.	$1.75	Jan. 15	Dec. 31
Twin City R., pfd.	*$14	Dec. 24	Dec. 18
Un. Gold Eq., st. & c	4c	Jan. 15	Jan. 5
United Secs.	50c	Jan. 15	Dec. 26
Wabasso Cotton	25c	Jan. 2	Dec. 19
West Koot. Pr., pf.	$1.75	Dec. 31	Dec. 23
West. Grocers	60c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Weston, Geo., c.	20c	Jan. 2	Dec. 19
Do., extra	10c	Jan. 2	Dec. 19
Wr.-Hargreaves	10c	Jan. 2	Dec. 14
Do., extra	5c	Jan. 2	Dec. 14
Do., interim	10c	Feb. 1	Jan. 6
Ventures	2½+2½c	Jan. 2	Dec. 15

†Initial. *On arrears. ▲For 2 months. •Capital distribution. ‡Interim.

↓In addition, on July 1, 1936, preference shareholders received 30 shillings capital repayment on each share and all dividend arrears on the 30 shilling payment were liquidated.

Last Will and Testament

Your Will and Your Estate

Will Your Estate Provide an Assured Income?

Much as he may hold his wife in affectionate esteem and admire her intelligence, the average businessman has few illusions about her ability to invest wisely over a period of years and under changing business conditions. There are exceptions, but in a general sense women whose lives are devoted to home-making rarely have the opportunity to acquire wide information of sound business and investment practices.

Safeguards against unwise investment of an estate's assets are consequently imperative in nearly all wills which leave the estate to a widow, immature sons or daughters, or other beneficiaries lacking experience in investment affairs. Stocks, bonds and real estate have fluctuating values and to expose his widow to risks she is entirely unfitted to assume is both unfair and unwise on the part of a testator. It may pay a compliment to her intelligence, but hard-headed business judgment is more desirable than compliments in the beneficiary's own interest. Equally dangerous to the welfare of a widow is the honest, well-meaning but inexperienced friend who often loses for the widow what she does not lose for herself.

Where estates are left in the care of a competent trust company and are of sufficient value to provide an adequate income for widow, sons and daughters or aged relatives, no particular problem is involved. But in cases of smaller estates, passing to a single beneficiary it may be more desirable to adopt the annuity plan or one of its many variations.

Various Types of Annuities

In principle, the annuity feature which may be incorporated in any will or, in cases of insurance policies, by declaration under the terms of insurance legislation, consists merely of payment to the beneficiary of a stated income either for a guaranteed period of years or for the lifetime of the beneficiary. The cost of creating an annuity is widely variable, depending on the age, sex, and sometimes the health, of the annuitant. Cost naturally varies also with the amount which the buyer desires to be paid and the period in which it is to be payable.

Since the war, Dominion Government annuities have become increasingly popular, and in spite of an increase in the cost of these recently, they still offer decided advantages. They have their limitations, however, both in the amount of annuity obtainable and in the fact that they are not intended for the more specific requirements met by certain types of insurance policies. In general, the annuity may be regarded primarily as source of income for old age, while the insurance policy, which can be paid as an annuity to beneficiaries, is more suitable for purposes of protection of dependents.

Purchase Directed By Will

A Government annuity can, however, be purchased under the directions of a will and frequently solves an otherwise troublesome problem. It is a simple matter to direct that out of the proceeds of an estate an annuity is to be purchased for the benefit of a widow, by setting aside a specific sum for the purpose to be used to secure either a guaranteed income over a period of years or during the lifetime of the surviving beneficiary. The amount will vary in accordance with the age of the widow, daughter or other beneficiary at the time of the testator's death, but it can be estimated with reasonable accuracy, depending on the extent of liquid estate assets available for its purchase.

Insurance as a means of creating an estate is widely recognized and probably offers annuity income features possessing more advantages than some other forms of income, depending again on the circumstances, age, sex and health of the beneficiary. The Government annuity may be purchased by payment of a lump sum, to be paid over a stated period of years or for the lifetime of the beneficiary, but the insurance annuity is one of several options possible to the beneficiary under the policy.

Then, too, the Government annuity, if purchased by a lump sum, may be payable for the lifetime of the annuitant and cease at his or her death, or payable for a stated period only. When payments cease, all principal has also disappeared, but in the case of life insurance there is a cash and loan value which may be realized on in emergencies.

Where an insurance policy exists, its benefits may be chosen in one of several ways to provide an assured income to dependents. It is, of course, subject to succession duty, as part of the estate, but where the proceeds of insurance policies are paid in the form of annuity income, much of the risk of unwise investment is removed.

Options in Policies

Insurance policies in Canada usually contain the option of allowing the proceeds to remain on deposit with the company at interest, and may also receive any excess dividends. Or the proceeds may be paid to the beneficiary under a declaration, and not necessarily by will, at a rate of around $60 a year for each $1,000 of net proceeds payable under this particular option, or other rate, with interest and any excess dividends. Amounts and periods over which payments continue naturally are variable factors, as is the face value of the policy itself.

For Fixed Period

Another option provides for payment of insurance proceeds in equal installments for a fixed period of years, and another option permits payment for 5, 10 or 20 years, or for the remaining lifetime of the beneficiary. Here, again, there are several variable factors involved, however, and the amount of each installment is determined by the sex, age and other considerations of an insurance character.

Also suitable under certain conditions is the option which allows insurance proceeds to be converted into a life annuity at the regular rates of insurance companies, but a common feature is that no annuity shall be available which provides for any payment at or after the death of the annuitant. The effect is much the same in this case as in the case of Government annuity provisions.

For practical purposes annuities in whatever form can be considered at their estimated value as part of an estate for succession duties, since, in Ontario for example, only an annuity or life interest from the yearly income of which does not exceed $100 is exempt from succession duty.

Tramway Co. Elects New Director

From Our Own Correspondent

MONTREAL.—R. N. Watt, vice-president of Montreal Tramways Co., has been elected a director of the company, replacing the late Col. J. E. Hutchinson. Mr. Watt will carry the new title of vice-president and managing director.

WHAT SHOULD A TRUSTEE KNOW?

Obviously, if an estate is to be efficiently administered, the trustee—in the best interests of the beneficiaries—must be intimately familiar with all matters affecting the safeguarding of the estate and the carrying out of the directions imposed by the Will. He must be in close touch with stock and bond markets, with real estate trends, with tax enactments, etc., as these do, or may, affect the estate in his charge.

How many private individuals have the necessary facilities or the knowledge relating to these matters? The Trust Company has. Its officers are in constant touch with the centres of investment and finance. The Trust Company, rather than the individual, is the natural medium for continuous and efficient trusteeship of estates.

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Rolph R. Corson, President
John J. Gibson, Vice-President & Gen. Mgr.

FOR SALE
"YES, the house has to be sold"

"Why? Because John's Will was made years ago and never changed. He left large sums to charities—all right when he was well off, but out of proportion now—you remember his business losses. When the legacies were paid, little remained for Mary and she has to sell the house."

With a differently planned Will, this need not have happened, nor would it, had he revised his Will to accord with his changed circumstances.

Perhaps your Will needs revision? Then consult our officers as they can give you valuable advice.

Ask for a copy of our Booklet "Practical Hints On Making Your Will".

3618

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THE ROYAL BANK OF CANADA

General Statement, 30th November, 1936

LIABILITIES

Capital stock paid up		$ 35,000,000.00
Reserve fund	$ 20,000,000.00	
Balance of profits carried forward as per Profit and Loss Account	1,913,796.49	
	$ 21,913,796.49	
Dividends unclaimed	12,961.44	
Dividend No. 197 (at 8% per annum), payable 1st December, 1936	700,000.00	22,626,757.93
		$ 57,626,757.93
Deposits by and balances due to Dominion Government	$ 326,181.23	
Deposits by and balances due to Provincial Governments	8,590,668.72	
Deposits by the public not bearing interest	310,384,198.04	
Deposits by the public bearing interest, including interest accrued to date of statement	416,164,055.12	
Deposits by and balances due to other chartered banks in Canada	160,679.71	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries	11,138,715.43	
		746,764,498.25
Notes of the bank in circulation		29,524,612.34
Bills Payable		185,290.68
Acceptances and Letters of Credit outstanding		21,130,088.86
Liabilities to the public not included under the foregoing heads		357,209.84
		$855,588,457.90

ASSETS

Gold held in Canada	$ 4,951.52	
Subsidiary coin held in Canada	1,389,426.88	
Gold held elsewhere	947,243.60	
Subsidiary coin held elsewhere	4,052,055.41	
Notes of Bank of Canada	7,814,504.50	
Deposits with Bank of Canada	58,438,724.88	
Notes of other chartered banks	1,668,771.30	
Government and bank notes other than Canadian	17,171,201.77	
		$ 91,486,879.86
Cheques on other banks	$ 26,239,243.85	
Deposits with and balances due by other chartered banks in Canada	2,674.06	
Due by banks and banking correspondents elsewhere than in Canada	61,552,181.71	
		87,794,099.62
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value		112,375,623.60
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value		129,263,816.59
Canadian Municipal securities, not exceeding market value		9,898,124.63
Public securities other than Canadian, not exceeding market value		11,990,129.17
Other bonds, debentures and stocks, not exceeding market value		29,643,126.63
Call and short (not exceeding 30 days) loans in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover		26,154,218.66
Call and short (not exceeding 30 days) loans elsewhere than in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover		14,624,255.00
		$513,230,273.76
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	$175,872,378.48	
Loans to Provincial Governments	1,698,424.22	
Loans to cities, towns, municipalities and school districts	10,227,376.28	
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	105,418,451.69	
Non-Current loans, estimated loss provided for	3,548,727.49	
		296,765,358.16
Bank premises, at not more than cost, less amounts written off		15,662,057.13
Real estate other than bank premises		2,698,298.72
Mortgages on real estate sold by the bank		769,615.83
Liabilities of customers under acceptances and letters of credit as per contra		21,130,088.86
Shares of and loans to controlled companies		3,291,444.19
Deposit with the Minister of Finance for the security of note circulation		1,625,000.00
Other assets not included under the foregoing heads		416,321.25
		$855,588,457.90

NOTE:—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement.

M. W. WILSON,
President and Managing Director.

S. G. DOBSON,
General Manager.

AUDITORS' REPORT

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Liabilities and Assets as at 30th November, 1936, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have checked the cash and the securities representing the Bank's investments held at the Head Office at the close of the fiscal year, and at various dates during the year have also checked the cash and investment securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1936, and it is as shown by the books of the Bank.

W. GARTH THOMSON, C.A., of Peat, Marwick, Mitchell & Company
M. OGDEN HASKELL, C.A., of Haskell, Elderkin & Company
Auditors.

Montreal, Canada, December 22, 1936.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1935	$ 1,609,554.65	
Profits for the year ended 30th November, 1936, after providing for Dominion and Provincial Government taxes amounting to $998,976.59 and after making appropriations to Contingency Reserves, out of which Reserves provision for all Bad and Doubtful Debts has been made	3,504,241.84	$ 5,113,796.49
APPROPRIATED AS FOLLOWS:		
Dividend No. 194 at 8% per annum	$ 700,000.00	
Dividend No. 195 at 8% per annum	700,000.00	
Dividend No. 196 at 8% per annum	700,000.00	
Dividend No. 197 at 8% per annum	700,000.00	
	$ 2,800,000.00	
Contribution to the Pension Fund Society	200,000.00	
Appropriation for Bank Premises	200,000.00	
Balance of Profit and Loss carried forward	1,913,796.49	
		$ 5,113,796.49

M. W. WILSON,
President and Managing Director.

S. G. DOBSON,
General Manager.

Montreal, December 22, 1936.

Week in Mining

Buoyant Base Metals Approach Boom Scope

Uniformly Favorable Influences Affecting Copper, Lead and Zinc Producers Reflected in Speculative Excitement

Buoyant in price and reflecting a strong undercurrent of demand from both investment and speculative sources, Canadian base metal stocks continued their significant leadership of Canadian mining markets in Christmas week trading.

It could hardly be otherwise, in view of the almost uniformly constructive influences operating on price movements among shares of Canadian producers of copper, lead and zinc. Field news, which through the summer was encouraging, has become even more so during the autumn; base metal prices have risen and are firm at current levels; leading producers are expanding their operations, and others are planning reopening of copper and other base metal properties that were shut down years ago. Above all, the aggressive demand for base metals of all types continues to grow rather than diminish, both in Europe and North America.

With a background rarely so favorable to any one group of securities, it is not surprising that gold stocks are being relatively neglected in favor of such issues as Pend Oreille, Falconbridge, International Nickel, Sherritt Gordon, Waite Amulet and Sudbury Basin. The danger appears to be that speculative enthusiasm for these shares may lead to the inevitable reaction, but currently there is little suggestion that that stage has been reached. Golds, meanwhile, are quietly adjusting themselves to lessened trading volume.

Cadillac area gold stocks, adversely affected by the Rubec fiasco, are currently attracting lessened attention but the forthcoming report of Colin A. Campbell and Professor Ellis Thomson, dealing with Rubec conditions, may re-direct attention to Cadillac and its possibilities.

Pend Oreille

TYPICAL of the complete reversal of fortune for Canada's base metal producers is the story of Pend Oreille, operating a lead and zinc property in the state of Washington, south of the international border. Located in the U. S. the company, nevertheless, has a large Canadian shareholders' interest and it has staged one of the most astonishing comebacks among all the base metal companies.

Shut down in April, 1934, the company resumed production in January of this year under the handicap of high initial operating costs associated with the reopening of the property. Shaft sinking and other development work had to be done in connection with the new operations, but in the months since January it became evident that the company was in a position to earn a wider margin than was the case at the first of the year.

That earlier expectations have more than been fulfilled is indicated not only by current market interest in the shares of the company in Vancouver and eastern Canada, but also from the fact that an increase in daily milling rate to 1,000 tons is planned as part of expanded operating schedules over the next four months. Construction of a power plant to cost about $125,000 is likewise projected and a loan for that purpose was obtained without difficulty.

In comparison with the present scale of operations the plans scheduled for expansion at Pend Oreille represent an important forward step and the possibility of substantially higher income over a period. It is, however, only one of a dozen or more Canadian base metal properties rehabilitated as the result of the world demand for copper, lead and zinc.

* * *

Add: Faith in Gold

FOR every worth-while opinion to the effect that the selling price of gold will drop in the course of the next decade or so, are dozens of worth-while opinions to the contrary.

Latest to aver his faith in gold is Walter S. Webber, presiding at the annual meeting of the successful Johannesburg Consolidated Investment Co., at Johannesburg recently.

"Fears have been expressed," Mr. Webber told shareholders, "that with the passing of the old gold standard, gold will lose its value as a medium of exchange, but there are no indications of such a state of affairs. On the contrary, central banks and governments hold the metal in greater esteem than ever before. It has also been feared that a rise in the world output of gold following on its higher value would result in a period of immense abundance of gold with a rise in the general level of prices as expressed in gold. The consensus of expert opinion is, however, that the increased production in gold will not be out of relation to the general rate of progress of the world, and even if marked fluctuations in the value of gold should continue to occur, it will always remain a highly valuable commodity."

Gasfinders and Producers Purchase Cobourg Plant

At the recent annual meeting of the Gasfinders and Producers Ltd. in Toronto an audited financial statement was presented which showed cash in the banks at $10,439. Other current assets included accounts receivable of $190. Drilling, materials, supplies, etc., were shown at $26,093 as at Sept. 9, 1936.

Investments in other companies comprise 4,000 units of Oneida Gasfinders which were valued on the balance sheet at $500. Current liabilities were confined to accounts payable at $288.

The meeting approved a resolution authorizing the incoming directors to proceed with negotiations for the purchase of gas plant and franchise of the town of Cobourg at such price and on such terms as they deemed advisable. This purchase, it was explained, was with a view to trying out the distribution of natural gas taken from western Ontario fields. H. J. Picard stressed the fact that the plan was not a proved one but that the Cobourg plant, even if used as an artifiicial gas plant, should show a profit on the purchase price.

Howey Pays 2c. Dividend

Howey Gold Mines Ltd. has declared a dividend of two cents a share on the common stock, payable Feb. 1 to holders of record Dec. 31.

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Halliwell Gold
Drilling reports show large body copper-gold with important assays. The engineer's report (John C. Rogers, Mining Projects of Canada, November 9, 1936) shows 76 ft. of mineralization in No. 3 hole, of which 28 ft. averages $43. No. 8 hole shows 57 ft. of mineralization, with 10 ft. averaging $9.69. No. 11 hole shows 10 ft. copper-gold averaging $63.86. No. 25 hole shows 65 ft. of mineralization, with 32 ft. averaging $14.70.
Property lies 8 miles west of Noranda. Under excellent auspices. $300,000 cash on hand and further options sufficient to provide mill. Plant is electrified. Shaft down 30 ft. Market 85c.
This is a very important operation. Ore disclosed in drilling has an area of 120′ x 200′. Shaft to be completed by March 1st.
If ore opens up satisfactorily in drifting we would expect Halliwell to sell at much higher price.
H. J. Dingman & Co.
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CANADA

Mining Companies Newly Formed

Ashloo Gold Mines—B. C. incorp. Dec. 4, 1936. H. O. 411 Bank of Nova Scotia Building, Vancouver. Author. cap. $1,000,000, par $1.

* * *

Barriere Mining—B. C. incorp. Dec. 2, 1936. H. O. 404 Pacific Building, 744 Hastings St. W., Vancouver. Author. cap. 2,000 shares, no par value.

* * *

Cann-Chichagof Gold Mines—B. C. incorp. Dec. 4, 1936. H. O. 475 Howe St., Vancouver. Author. cap. $100,000, divided into 200,000 shares of 50 cents each.

* * *

Cobagold Mines—Ont. incorp. Nov. 26, 1936. H. O. Haileybury.

* * *

Commander Mines—Ont. incorp. Nov. 30, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

* * *

Coronation Cadillac Gold Mines—Ont. incorp. Nov. 27, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

* * *

Denison Nickel Mines—Ont. incorp. Nov. 30, 1936. H. O. Toronto. Author. cap. $3,500,000, par $1.

* * *

Five Sisters Gold Mines—Ont. incorp. Nov. 28, 1936. H. O. Toronto. Author. cap. $100,000, par $1.

* * *

Mainland Chibougamau Mines—Que. incorp. Nov. 28, 1936. H. O. Montreal. Author. cap. $600,000, par $1.

* * *

Partanen Malartic Gold Mine—Ont. incorp. Nov. 28, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

* * *

Peninsula Mines—Que. incorp. Nov. 28, 1936. H. O. Montreal. Author. cap. $30,000, par $1.

* * *

Penn Cadillac Gold Mines—Que. incorp. Nov. 28, 1936. H. O. Montreal. Author. cap. $3,000,000, par $1.

* * *

Ridgely Mining—Ont. incorp. Nov. 25, 1936. H. O. Toronto. Author. cap. $3,000,000, par $1.

* * *

Squamish Gold Mines—B. C. incorp. Dec. 4, 1936. H. O. 905 Stock Exchange Building, Vancouver. Author. cap. $50,000, par $1.

* * *

Surrender of Charter

Engineers' Exploration—Notice given Dec. 7, 1936, company will make application for leave to surrender its charter.

Maple Leaf Gives Terms Of Transfer

Old Shareholders to Get Argosy and New Stock

RELEASED FROM POOL

Details of the proposed distribution of Argosy Gold Mines stock to shareholders of Maple Leaf Mines as well as distribution in the new company, Maple Leaf Mines and Securities (1936) Ltd. have been issued to shareholders over the signatures of Fraser Raney, secretary.

Recently, at a special general meeting of shareholders, it was resolved to distribute the assets of this company to Maple Leaf Mine shareholders as follows:

Shares of Argosy Gold Mines at the rate of 191.2 shares of Argosy for 1,000 shares of Maple Leaf Mines.

Shares of Maple Leaf Mines and Securities (1936) Ltd., which represent the remaining assets of Maple Leaf Mines, at the rate of one share of Maple Leaf Mines & Securities (1935) Ltd. for every ten shares of Maple Leaf Mines.

The Securities Commissioner of Ontario has ordered the Argosy shares be released from pool in four equal monthly installments ending Feb. 24, 1937. This ruling necessitates an alteration in the original plans of distribution. Some of the larger shareholders, however, have consented to forego their right to share equally in the first installment to be released from pool and the company, therefore, hopes to be able to make distribution in full to all shareholders with smaller holdings as their shares are presented for exchange.

Four Installments

Accordingly, on and after Jan. 15, 1937, distribution will be made to those shareholders whose certificates have been surrendered on or before Jan. 5, 1937; on and after Feb. 1, 1937, to those shareholders whose certificates have been surrendered on or before Jan. 24, 1937; on and after Feb. 24, 1937, to the remaining shareholders as their certificates are surrendered.

Mr. Raney states that fractional shares of Argosy will be purchased by Maple Leaf Mines at the market price on the day of surrendering the share certificates.

Shareholders are asked, if the shares are already registered in their name, to send the certificates by registered mail to the Premier Trust Co., If the shares are not registered in the shareholder's name they should be sent to the Canada Permanent Trust Co. for that purpose, by Jan. 5, 1937.

Sladen-Malartic Mines Issues Additional Shares

From Our Own Correspondent

MONTREAL. — Sladen - Malartic Mines advise the Montreal Curb Market that 75,000 additional shares have been taken up under the terms of the option agreement. Of these 64,000 shares were taken up at 55 cents a share, representing the balance in the 55-cents block, and 11,000 shares at 65 cents a share. This leaves a balance of 289,000 shares in the 65-cent block.

A total of 1,988,016 shares is now outstanding in the hands of the public, exclusive of escrowed stock.

North Star Oil Paying 17½c on $5 Preferred

North Star Oil Ltd. has declared a dividend of 17½ cents a share on the 7% preferred shares of $5 each, payable Jan. 2, 1937, to shareholders of record Dec. 19.

This payment covers the dividends due Oct. 1, 1935, and Jan. 1, 1936, and leaves the shares in arrears to the extent of 35 cents a share.

Lebel Oro Mines Sells Optioned Stock

From Our Own Correspondent

MONTREAL.—Lebel Oro Mines advise the Montreal Curb Market that 178,500 shares at 15 cents a share have been taken up under the terms of the option agreement. This block represents the balance of stock under option.

Rubec Probe Is Carried On By Company

Colin Campbell Retained to Report on Possible Development

COPY TO GODFREY

Who "salted" the "rich" drill cores, supposed to have come from the property of Rubec Mines in the Cadillac area of Quebec?

Since the "salting" evidently took place in Quebec, the findings of the Ontario Securities Commissioner will be passed on to the Quebec securities officials, for action, but meanwhile new developments in the Rubec situation are pending in Ontario.

Colin A. Campbell, M.E., appointed by John M. Godfrey, K.C., Ontario Securities Commissioner, to make an investigation into the Rubec drill cores, has also been retained by the Rubec company to probe further the property's mining possibilities and determine whether it has any chance for success.

In association with Professor Ellis Thomson, of the University of Toronto, Mr. Campbell has prepared a further report on the property, a copy of which will be sent to Mr. Godfrey within a few days. Certain recommendations will be made by Mr. Campbell regarding possible future exploration and development.

No Blame Fixed

The report of Mr. Campbell as the appointee of the Ontario Securities Commissioner made no attempt to fix the blame for the "salted" cores. He stated, however, that neither the drilling company, officials, directors nor promoters of Rubec appeared to be responsible, and that all had given him full co-operation.

"I do not wish to raise any false hopes," Mr. Campbell reported, "but do beg to point out, however, that I have found in my further examination of the other drilling some favorable geological conditions. A full and detailed report of this further examination will be available in a few days time. The reason for the delay is caused by the fact that we are having Professor Ellis Thomson of the University of Toronto make some geological determinations. The property is in an area which has and is responding very favorably to development work and I feel that with good engineering and management the Rubec property will prove of considerable merit yet."

McMillan Gets New Ore; Will Increase Mill Rate

Results on Fifth and Seventh Levels Exceed Expectations

From Our Own Correspondent

SUDBURY.—After nearly a year's suspension of operations, following the advice of independent engineers that the project be relinquished, McMillan Gold Mines, in the West River section, is again in production. The first gold brick under the new régime will be poured in a few days.

Whether or not the company is to be permanently rehabilitated will depend upon the success met with at the deeper levels which are now being explored. The management is pleased with development to date, and work so far has revealed ore of better grade and veins of greater width than it previously experienced, particularly on the fifth and seventh levels.

High Grade on 725

Latest results at the 725-ft. level, G. A. Foot, president, reports, show high-grade ore in the drift. Mr. Foot states that five channel samples taken assayed as follows: $34.30, $43.75, $47.25, $22.75 and $61.25, or an average of $41.86, over a width of 42 inches.

Stoping on the fifth level has now been continued for over 150 feet, with good ore showing in both faces, according to last report. The average width of the stope is 15 feet. A recent assay went $21 across five feet.

On the eighth level, the lowest horizon opened so far, stoping is also well under way. The quartz is stated to be heavily mineralized, and contains good average grade.

Ore From 7th and 8th

In previous operations, no ore was taken from the seventh and eighth levels, and very little from the fifth and sixth, the biggest portion of the millfeed coming from the second and third levels, and some from the fourth. With five levels now being developed, the management is encouraged by the improved picture presented since the mine resumed work early in November.

Mill tonnage has been maintained around 100 tons daily, occasionally running over this amount. President Foot says the plant will shortly be handling 150 tons per day.

Directors state that, in view of past performances, the mine is more or less "on the spot," and the board is making a determined effort to justify its faith in the property. Mine development is proceeding under supervision of Evan Harris, formerly with Falconbridge Nickel and Lake Shore Gold Mines.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER. — Wayside mill, Bridge River, which has been handling an average of 150 tons of one daily, has closed down temporarily because of a broken shaft.

* * *

Prospect Pacific Eastern

Prospecting at Pacific Eastern, another Bridge River property whose development last summer showed considerable promise, will be continued with strong support from the Home Oil interests.

* * *

Large Placer Output

Placer development in the Atlin district has resulted this year in production of $410,000 worth of gold, according to an estimate by H. F. Glassey, gold commissioner. About 1,200 men were at work in that area last season, engaged in one or another of 162 operations. The largest operations are on Spruce Creek, where Columbia Development Limited, backed by Kaufman Rubber interests of Kitchener, Ont., has been operating with steam shovel and a crew of 60 men.

* * *

B.R.X. Changes Name

Shareholders of B.R.X. Gold Mines, Ltd., have decided to change the company's name to prevent confusion with the new company known as B.R.X. (1936) Consolidated Gold Mines, Ltd. The change is being made at the suggestion of the French interests who are contributing $12,500 a month for development. The new company has been authorized to acquire a part of the near-by B.R. Consolidated property if the latter will sell.

* * *

Bralorne Grade Higher

Bralorne Mines in the Bridge River district is now concentrating on development of the Empire, formerly known as Ida May, area. This section now accounts for about 70% of the mill-feed, averaging 475 tons daily.

New Work Starts At Falconbridge

1937 Programme Calls for Milling 1,400 Tons of Nickel Daily

From Our Own Correspondent

SUDBURY.—With the new No. 5 shaft in full service, and the original shaft, No. 1 closed, Falconbridge Nickel Mines is entering its augmented programme of at least 25% increased production.

The new mining schedule calls for milling 1,400 tons daily, compared with 900 tons earlier this year.

The new shaft is equipped to raise 3,000 tons daily, and is sunk 1,750 feet while limited exploration by diamond drilling was done at the deepest level, there will be no development below the 1,200-ft. level for the present. Seven levels are open, and the 500, 1,000 and 1,200-ft. levels will provide the ore for the 1937 schedule.

At the 1,200-ft. horizon the drift is now over 1,600 ft. east of the shaft, while to the west it is out beyond the old workings, a total distance of 4,200 ft., and to date is virtually all in ore. The drive on this level has about 1,000 feet to go farther west before the known limit of the ore body is reached.

Smelters Drops Option On Ritchie Gold Mines

From Our Own Correspondent

MONTREAL.—Consolidated Mining and Smelting Co. has dropped its option as of Dec. 15 on Ritchie Gold Mines, according to President Earle of the latter company. The option was once extended, he said, but Smelters has announced it does not desire to do further work.

Dog Teams Replace Planes As Mush Starts Near Kenora

From Our Own Correspondent

KENORA.—While staking spreads out for miles in the Rowan Lake area, 50 miles southeast of here, a second rush is under way on Shoal Lake, 40 miles southwest of Kenora.

Three large groups of claims have been staked at Rowan Lake and six small groups at Shoal Lake. Dozens of other claims, it is believed, have not yet been recorded owing to a tie-up of planes held back by weather. Some prospectors have reverted to dog teams and are mushing into the area.

Prospectors coming out from Rowan Lake report that, surrounding the Errington property of 44 claims, staking has risen to the hundreds. Oliver Several Mines, which has worked on four other groups in the Kenora district during the past year, has staked a group of 27 claims, while local interests headed by Harry Corneilie, hotel proprietor, have recorded 14.

The rush to Shoal Lake, on an Indian Reserve, just inside the Ontario boundary line, has followed an interesting find made by Harry Byberg on the tip of an Indian. Local interests headed by Byberg have financed work on the showing for six weeks. The Byberg find consists of a porphyry mass splashed with quartz stringers and well mineralized with chalcopyrite. Several large companies are reported to be negotiating to do work on the showing which is 150 ft. wide and traced so far for 1,500 ft.

At the Errington property on Rowan Lake, a surface crew of a dozen men is now employed under C. W. Greenland, M.E. Temporary camps have been erected. The discovery was made in October by Albert Gauthier and his brother, while working for Joseph Errington. The area was spotted by Bill Errington from the air as a likely spot for prospecting. Five veins have been uncovered of which No. 5 is the most interesting, with high values reported.

Red Lake Gold Shows Progress

First Quarterly Report Issued Since Mill Opened

Improved prospects for milling returns at Red Lake Gold Shore are indicated by the first quarterly report of the company since the mill went into operation. Operating costs are revealed at approximately $6 a ton, but problems associated with the early stages of milling operations have now been more or less overcome and the management anticipates increased production from larger tonnages treated and from higher grade ore now being milled.

From a development standpoint the most important progress was made during the quarter on the 550-ft. level, although the stope at that horizon is not yet fully opened. Two ore zones are indicated, however, with the possibility of a third and indications are that all join and form a continuous stope.

A parallel ore occurrence is now indicated in the foot wall side of the main ore zone and these two parallel veins appear to join before reaching the 425-ft. level. For 60 ft., the sub-level has shown the highest grade of ore found in the mine to date, and the face assay was 18 ounces at Dec. 4. Sub-level development has been delayed, however, until more box-holes have been opened to the south.

Ore Bodies Enlarged

Enlargement of the ore situation in all the stopes and particularly in the new ore on the 550-ft. level, where the high grade was found, is emphasized by the mine manager as a significant development in the underground situation. From six to eight months broken ore lie ahead and three stopes remain to be opened. Meanwhile the rated capacity of 125 tons a day is being maintained by the mill and the grade is being raised.

From September 3, date of initial milling operations, to Nov. 30, the official summary of milling operations shows the following:

Summary of Milling Operations

Average tons milled per day ...	115.3
Aver. val. per ton milled, oz. ..	0.33
Aver. recov. per ton milled, oz.	0.32
Percentage extraction	95.6%
Total val. bullion, concentrate, precipitate	$110,504
Total oper. cost for period	$67,758

Three Shifts Working At Young-Shannon Mines

From Our Own Correspondent

SUDBURY.—With completion last week of the new Government road into Chester township, Three Duck Lake area, Young-Shannon Gold Mines, is working 40 men in three shifts. The property is located about 22 miles southwest of Gogama.

"We are doing extensive diamond drilling warranting mining operations," says Cyril T. Young, president, "and have been sinking a double-compartment shaft to the first level where we blocked out ore and are now sinking to the second level which will be reached in about 20 days. The ore is now grading $14.25 across a three-foot width with the vein generally wider than that."

Parkhill Gold Plan Approved by Holders

From Our Own Correspondent

MONTREAL. — Capital reorganization of Parkhill Gold Mines was approved by shareholders at the annual meeting. The reorganization will be effected by sale of the company to a new corporation with a similar name—Parkhill Gold Mining Co.—having an authorized capital of three million shares, of which two million shares will be issued for the present company.

Under the plan present shareholders will receive two new shares for every three old shares held.

Wood-Cadillac Assays Reported from $16 Up

Assays ranging from $16.05 to $52.05, and one assay of $431, are reported from four diamond drill core samples from Hole No. 6, 100 feet east of Hole No. 4 at the west end of Wood-Cadillac Mines' property. Four successive holes at the west end of the property and spaced 100 feet apart have shown free gold in the core and have given high assay returns at approximately the same horizon, says Julius M. Cohen, consulting engineer for the company. He believes the fact is of "extreme importance."

Rock Creek's Placer

High values in the placer diggings of Rock Creek, B.C., were found during the past season, according to S. E. Pettendrigh, of Jolly Creek Placers.

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The FINANCIAL POST SURVEY of CANADIAN OILS · 1937
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War-time Ace Leads Attack On New Front

He's Col. T. W. Macdowell, New President of Chemical Research

OUSTS OLD HEADS

From Our Own Correspondent

MONTREAL.—When General J. H. MacBrien, Commissioner of the Royal Canadian Mounted Police and previously G.O.C. of the permanent militia in Canada, was asked what in his opinion was the finest feat performed by an individual in the World War, he unhesitatingly told of a Canadian officer, who, single-handed, captured 76 Germans. This man is Col. Thain W. Macdowell, the new president of Chemical Research Corp.

COL. T. W. MACDOWELL

Thain Macdowell, who is now well on in the 40's, spent his boyhood days in Cardinal, Ont. After attending the Brockville high school, he went on to the University of Toronto. When war broke out, he was in the West and as yet had not chosen a career for himself.

V.C. and D.S.O.

Like many other young Canadians of the time, he enlisted in the army, joining the 38th Battalion. He went overseas. The first big action he took part in was at the Somme. Here he was wounded and for his gallantry in action was recommended for the V.C. and awarded the D.S.O.

When the Vimy push took place, Macdowell was in the thick of it. It was in this action, when going ahead of his men, he entered a German dugout and without assistance captured 76 Germans. This time he was awarded the V.C.

After the war Macdowell returned to Canada, in ill health. For a time he engaged in various small undertakings in Ottawa and then was appointed secretary to the Minister of Defence. He served under MacDonald and Ralston.

Entered New Field

In the stock market, he acquired a stake which permitted him to leave the Government service and devote all his time to mining and oil developments. In this new field he became interested in Chemical Research.

With a number of other shareholders, Macdowell was dissatisfied with the old management of Chemical Research. He led a junta which was successful this month in ousting the old interests. As a result he was named president and his associates elected to the board.

Taking His Time

What changes Macdowell and his associates will effect with the company, which has been long on promises, but short on earnings, are as yet unknown. His first step has been to initiate a thorough survey of the company's position to find out just how things stand. When this has been done, he intends to call the shareholders together, tell them of his findings, and make recommendations as to what should be done toward putting the company in a more prosperous state.

Obituaries

Senator Richard Smeaton White, publisher of the Montreal Gazette for more than a quarter century. He died at his home in Montreal, aged 71.

* * *

H. T. Babin, manager, Drummondville branch, Bank of Montreal, at Drummondville. He was 52.

* * *

Charles S. Baker, former manager, Bank of Montreal, Hartland, N.B.

* * *

John Hyde, president of the Royal Guardians Mutual Life Insurance Co., and frequently retained by the Dominion Government as a chartered accountant in business investigations, at his home in Montreal.

* * *

Samuel J. Foote, former manager, Manufacturers Life for Newfoundland and former minister without portfolio in the Newfoundland Government.

* * *

Harry E. Clements, accounts department, head office, Bank of Montreal, at his home in Montreal. He was 57.

* * *

E. W. Reeds, of the staff of the Lindsay, Ont., branch of the Canadian Bank of Commerce, at his home in Lindsay.

* * *

Robert S. Hunter, superintendent of the Canadian Pacific Railway dining car department, at his home in Calgary. He was 59.

Exiled by Taxes?

Executives of Canadian Companies Make New Homes in England, Channel Islands, Bahamas, U. S. A. and Mexico

"You can search the whole world over," according to a famous old regimental march.

It is also necessary to search the whole world over to find all the directors of Canadian companies who, for one reason or another, have left their native heath to live in other, more pleasant lands of perpetual sunshine or low income taxes.

The exodus has not reached alarming proportions, but it has definitely started. Income taxation is one reason, advancing years and retirement from active business also play their part; health, in other cases demands that the Canadian executive seek more congenial climes, but the net result is to thin the ranks of prominent Canadians whose names are household words in Canadian business enterprise.

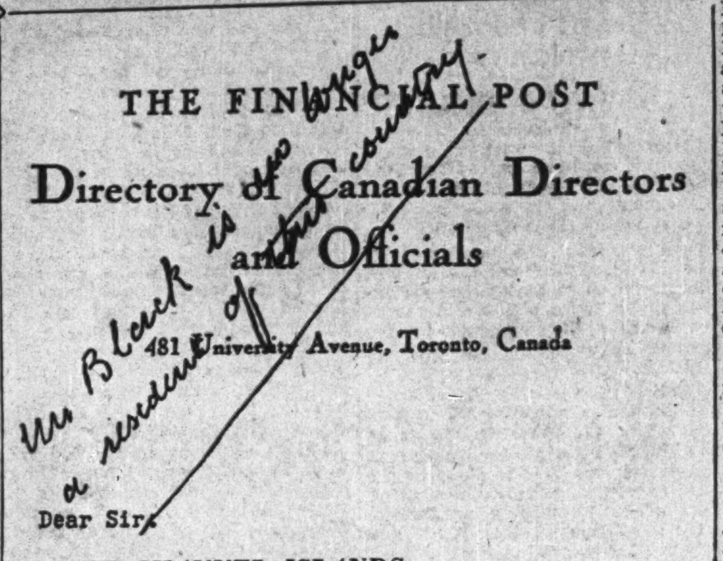
Editors of the 1937 edition of The Financial Post Directory of Canadian Directors discovered the trend this year to be more pronounced than ever before. One of the chief reasons for the exodus is the transfer of officials to an English or U.S. branch of a company, but other reasons are interesting and varied.

Among the best known "business exiles" establishing new homes abroad, is W. A. Black. His residence address is now St. Helier, Jersey, in the Channel Islands, geographically a part of France, but under British sovereignty.

Mr. Black was listed in the previous editions of the Directory of Canadian Directors as an executive or director of 18 different Canadian companies, chiefly in the textile, food, trust and transportation industries. He has since resigned all these appointments, although some of them have not yet been accepted, and within a few weeks at most he will have severed all official connection with the companies, The Financial Post is informed.

Harry Oakes

Col. Harry Oakes, famous as the former president and guiding genius of Lake Shore Mines, largest gold producer in Canada, is another whose address is no longer Niagara Falls, Ontario, where "Oak Hall," his home, is one of the most imposing estates in the district. Col. Oakes is not a director in any Canadian company, and enquiries by The Financial Post revealed that "his address is no longer Niagara Falls, Ont." He is believed to be resident outside Canada and to be making his permanent home at Nassau in the West Indies.



THE FINANCIAL POST

Directory of Canadian Directors and Officials

481 University Avenue, Toronto, Canada

Dear Sir,

Mr Black is no longer a resident of this country

IN THE CHANNEL ISLANDS

Above is shown a facsimile of the form sent annually to directors of Canadian companies by The Financial Post Directory of Canadian Directors and a typical notation of the reply indicating the director has left Canada. In this case it referred to W. A. Black, director of 18 Canadian companies a year ago, and now resident in the Channel Islands.

T. A. McAuley, listed a year ago as chairman of the board of United Steel Corp., president of Dodge Manufacturing Co. and a director of Stop and Shop Ltd., whose home was on Warren Rd., Toronto, is another executive recorded this year as "Not in Canada." To The Financial Post's request for revision of the entry in last years' edition of the Directory of Canadian Directors, the notation "Not in Canada" was returned, plus pencilled cancellation of the listings as chairman of United Steel and president of the Dodge Manufacturing Co. There is no indication where he went.

Robin Willis, director of Nordon Corp. Ltd., whose home is in Calgary, returned The Financial Post's enquiry with the notation "Leaving Canada. Please delete my name." The notation was signed.

Now in Mexico

Mexico is now the residence of C. L. H. Branson, president of Branson Investment Co., a director of four companies and president of two others, who a year ago lived in Victoria, B.C. He was consul for Argentina, Mexico and Bolivia.

D. A. Rutherford, vice-president and a director of Toronto Land Corp., who lived in Toronto, is "Not living in Canada." There is no intimation of where he has gone.

James Ramsey, president of the James Ramsey Co. Ltd., and director of H. H. Cooper Ltd., when he lived in Edmonton, is now retired from both companies and has established his home in the Bahama Islands. Mr. Ramsey at one time operated merchandising establishments in Plattsville, Ont., Toronto, Montreal, New York and Guelph, but in 1910 went to western Canada and rose to business prominence in the west. He was a visitor in Edmonton last autumn.

To U. S. and England

Bertram W. Burtsell, one-time vice-president and general manager, and a director of Massey-Harris Co. Ltd. is a former Torontonian who has left Canada. He lived at the Royal York Hotel but has severed all connections with Massey-Harris, and while his exact whereabouts was not made known in reply to Financial Post enquiries, it was learned he could be reached at his Niagara Falls, N.Y., office address.

Alfred Broomer, A.C.A. (England and Wales), C.A. (Quebec), was formerly comptroller and secretary of the Robert Mitchell Co. Ltd., and an executive of other Canadian companies in Montreal where he lived until going to England to occupy a new post.

Widely known in insurance circles as president and general manager of The Globe Indemnity Co. of Canada, and in other executive insurance capacities, Frederick C. Browning, formerly of Westmount, Que., is another whose business affairs have taken him to England. He was transferred to England some time ago and has relinquished all his Canadian positions, The Financial Post is informed from official insurance sources.

California is now the home address of Charles M. Henning, former president of Harold F. Ritchie & Co. Ltd., who was also a director of associated companies and who made his home in Toronto. He is no longer associated with these companies, and is living in Santa Monica, Cal.

Scotland, Too

John M. Lyon, C.A.(Scotland), has returned to Scotland and severed his connections as secretary-treasurer of Browne, Urquhart & Co. Ltd., and City Gas & Electric, of Montreal.

Likewise, Alex Mackenzie, who lived in Toronto, as vice-president and director of Canadian National Carbon Co. Ltd., has gone from Canada to become assistant director of the foreign department of National Carbon Co. Inc., in New York.

Among the expatriates are some executives who have left Canada to open new branches of their companies abroad and who may be expected to return at some future date. Plans of W. Garfield Weston, president and managing director of George Weston Ltd., are not known, but his is a typical case in which the demands of expanding business enterprise have necessitated the absence of a senior executive from the parent Canadian company's offices. Mr. Weston's address is Eastbourne, England, for the present at least.

Ottawa Stands Ready To Aid West's Credit

Dominion View Is That Recent Conference Left Way Open for the Provinces to Secure Financial Assistance

From Our Own Correspondent

OTTAWA.—The key to such a gathering as the recent financial conference here, which was written off in some quarters as a failure and heralded elsewhere as a moderate success, lies in two basic and somewhat conflicting intentions on the part of the federal authorities who summoned the committee.

There is, on the one hand, a keen appreciation of wastage and inefficiency in finance and taxation throughout Canada due to lack of reasonable co-ordination between the governing bodies.

The second is a stubborn intention on Ottawa's part to balance the federal budget at an early date, and begin the laborious process of reducing the interest burden and subsequently the tax burden.

The provinces came to Ottawa obsessed by their financial and social problems, in two or three cases quite overwhelmed with them. They were only mildly interested in Finance Minister Dunning's proposals for co-ordination and simplification. The meeting started out to be treasurers' conference regarding haphazard and duplicative methods in taxation and finance, and blossom out into a "Gimme" gathering somewhat along the lines of earlier metings of this sort.

Royal Commissions

The provincial leaders who elected to accompany their treasurers to Ottawa were of course entitled to come and they were welcomed. Their suggestions for Royal Commissions to consider the whole basis of confederation, for Royal Commissions to examine the claims of provinces or economic areas for better treatment, for further assistance in meeting unemployment or other social burdens, for additional tax fields, made a considerable impact on the federal cabinet. Some of their proposals, Ottawa believes, are likely to be implemented, in whole or in part.

For example, the suggestion that in the long run it would pay the Federal Government to be a little more generous with provinces now falling behind every year, and consequently finding it impossible to maintain their credit, appealed to the business judgment of members of the federal cabinet. Though Ottawa can ill afford it, such a step, if it forestalled further repudiation and weakening of Canada's credit reputation, might be the cheapest way out in the long run. If, with help of a million or two a year in the shape of increased unemployment grants, or something similar, a province could rapidly reach the position where it could balance its budget, restore its credit, begin looking after its own financing at present low interest rates, the proposition sounds attractive.

Way Still Open

The Financial Post understands that so far as the western provinces are concerned, where the need is gravest, this way out of the immediate difficulty is not barred.

At the same time the viewpoint of the Dominion Government was placed squarely before the provinces. If all the current deficits of the nine provinces were added together they would only be a fraction of the 162 million deficit which Mr. Dunning had to report last May Day. Any solution which solves the problems of the provinces by plunging the Dominion still further into debt is not held here to be very brilliant.

Mr. Dunning reminded the provincial delegates that the people who pay federal taxes are identical with those who pay provincial taxes. Very little is gained by relieving a little of the burden of provincial taxation by a method which makes it imperative to increase federal taxation. Some shifting of the load from the weaker provinces to the stronger ones may conceivably be effected. But, as the finance minister has pointed out to the House of Commons and repeated to the gathering here, it has to be very seriously considered to what extent a Government is entitled to collect from all the people in order to pay to some of them.

Basis of Taxation

The provinces found the Federal Government quite receptive when it was suggested that the whole basis of taxation for social purposes such as unemployment relief ought to be reconsidered. The B. N. A. Act allocated certain taxing powers and also allocated certain social and financial obligations. What may have been quite equitable in 1867 may be quite unfair now.

The practice of provinces of setting up municipalities and conveying to them powers of taxation and also social obligations was also con-considered. The depression, it was stated, had shown the weakness of expecting the property owner in the city to bear a lion's share of the burden of unemployment relief. It was agreed that the whole problem of scientific taxation, and the reconsideration of social obligations, might well be re-examined thoroughly.

The request that the Federal Government pay the entire cost of old-age pensions raised another important issue. It is true that this was pledged by a recent Government, but the present Government feels no obligation to carry out that pledge. Indeed it regards it as fundamentally bad practice for one body to tax and collect money and pass it along for another body to spend.

Unemployment Insurance

In this connection the Government is acutely aware that when a ruling comes down on the unemployment insurance bill from the Privy Council, this issue will have to be faced. Advisers on the practical application of unemployment insurance have told the Dominion that a workable scheme cannot be introduced unless the Dominion has full competence. If the Privy Council rules that the present act is ultra vires, no further progress with the measure will be possible until the B.N.A. Act is amended so as to clarify and assure the position and competence of the Dominion Government in that field. Such an amendment would pave the way for a federal old-age pension scheme, and in that case the whole cost would presumably be borne by the Dominion Government.

Because of an exhaustive study conducted by the Department of Finance over a long period into corporation taxation, the minister was able to present an almost incredible picture of duplications, disparities, inefficiencies and exasperations in that field. Some companies pay taxes to nine Provincial Governments and the Federal Government on basis which vary considerably, and with rates which differ from province to province. Ten different returns are made on different scales and methods. Under the present scheme some companies spend thousands of needless dollars a year providing the accounting and clerical services to comply with income tax law, capital tax law, and so forth. Though corporations would be greatly assisted by clarification and simplification of these taxes, the primary concern is not to reduce the present tax structure so much as to lower the cost of meeting Government tax demands.

Aiming at Uniformity

What the minister of finance would like to see is reasonable uniformity across Canada of corporation tax rates, starting out from the assumption that no province would collect less as a result of the adjustments.

Each Provincial Government was supplied with data collected by the Dominion, and gave the assurance that the matter would be given consideration before the next meeting of the National Finance Committee.

Although tangible results from the committee were unimpressive, it was kept in mind that for nearly 70 years the provinces and the Dominion had conducted unsynchronized and unintegrated policies in regard to taxation and financing, and that it was hardly to be expected that machinery for co-ordination and co-operation could be set up overnight. Whether a few more efforts will result in a permanent organization, or whether the idea will be dropped as being more trouble than it is worth, will come out in the next year or two, it is expected.

N. B. Power Co. Secures Injunction on Motor Buses

From Our Own Correspondent

MONTREAL. — New Brunswick Power Co.'s application for an injunction restraining Maritime Transit Ltd. from operating any motor bus in the city of Saint John or parish of Lancaster has been granted by the New Brunswick Supreme Court.

The court also referred to a master question of damages claimed by the plaintiffs and ordered the bus company to pay the cost of the present action.

Dosco Coal Shipments To St. Lawrence Set Record

MONTREAL.—Dominion Steel & Coal Corp's shipments of N. S. coal to St. Lawrence River ports during 1936, 2.2 million tons, were the greatest in history, according to a statement issued by officials.

Last year's total was less than 2.1 million tons.

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